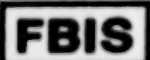


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Southeast Asia Report



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30 MAY 1986

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'WORST' FLOODS CAUSE HEAVY CROP DAMAGE

Auckland THE NEW ZEALAND HERALD in English 23 Apr 86 p 1

[Article by Tim Murphy]

[Text]

Fijians reeling from the worst floods in living memory appear to have lost 70 per cent of their basic crops in some districts.

Government workers who trudged into the worst hit areas when five days of rain ended yesterday, found extensive damage to vegetables and the root crop, taro, and cassava, in the south-east of the main island of Viti Levu.

Eight thousand people were last night still in the 60 evacuation camps in the area.

The Government information director, Mr Adishawar Padarath, said resources were stretched to the limit with toilets not working.

The flooding has left many Fijians in the capital, Suva, with no water for drinking or washing, and has tourists in at least one hotel flushing toilets with water brought in from the outside swimming pool.

Mr Padarath said villagers were hijacking fire hydrant water, and some had stoned the fleet of tankers distributing water in anger at the rationing imposed.

Crops May Rot

The worry with the flood damage to the crops was that if they were not dug out soon, they would rot under the piles of silt.

Fresh vegetables and fruit will be brought in from the unscathed Tailevu district, inland on Viti Levu, to help homeless and foodless villagers whom doctors fear could suffer from malnutri-

tion if they are forced to keep eating tinned fish.

Eight people, including all four members of a family whose house near Suva was crushed in an avalanche, have died in the floods.

Inspection

But police now hold out hopes of finding eight people missing from a cap-sized trawler.

An inspection of the trawler yesterday showed that supplies and liferafts had been taken from the vessel and the survivors could be drifting towards Vanuatu.

The Nausori district around the airport serving Suva was particularly badly hit.

One elderly villager there, dismayed by the brown sludge which swamped houses above roof level, said the flood was the worst he could remember.

/9317

CSO: 4200/1038

This fact proves that stable national security conditions are a precondition for successful development in the other three areas.

Conversely, it is not possible that national risks will be overcome by the defense and security apparatus if the other three areas are not developed and if they contain trouble spots beyond the limits of national tolerance.

Based on the above understanding, said the minister, the Ministry of Defense and Security and the Armed Forces are profoundly aware that the size of the budget received will not be a problem, because reducing the national risk not only depends on support from the budget prepared for the Ministry and ABRI but is also based on harmony and balance with the budget made available for other areas.

Implementation of the budget in the first and second 5-year development plans along with national defense and security conditions that were successfully realized during that same period may be taken as proof.

Based on this the Ministry of Defense and Security may optimistically achieve its targets in accordance with priorities established by Strategic Plan III of Defense and Security/ABRI.

He emphasized that development budget are entirely to support physical development with the intention of stressing that guarantees of security and national stability do not depend on physical development alone. The building of non-physical qualities such as intelligence, fighting spirit, dedication, and discipline must be increased without depending on a budget provided by the state.

Non-physical development in the form of raising the quality of all ABRI members has been well implemented with the support of the routine budget. From this it appears that the ability and strength of national defense and security are a result of harmonious and integrated physical and non-physical development efforts. This reflects sound planning and mutual support between the routine budget and the development budget in the realization of defense and security strategic plan targets.

Concerning the implementation of the 1985/86 budget the minister of defense and security said that up to 31 January 1986 things have gone smoothly in accordance with established plans. The routine budget achieved 89 percent and the development budget achieved 75 percent of the plans.

All program targets in accordance with the scale of priorities were achieved in accordance with established plans and schedules.

He also explained that all development projects for the Ministry of Defense and Security and ABRI that were agreed to in the 1985/86 national budget have been contracted for and physical work has already begun.

Target priorities in the areas of maintenance and material investment concerning material and strategic reserves and also concerning the development of base facilities and rehabilitation/reconditioning of weapons systems in combat

TRADE MINISTER ON PROTECTIONISM, COMPETITIVENESS

Jakarta SUARA KARYA in Indonesian 5 Feb 86 p 1

[Text] All sides were called upon to prevent providing protection to industries or specific sectors which would eventually disturb the competitiveness of export commodities. Because success in breaking into international markets is greatly determined by the comparative advantage of the involved commodity in facing the same product of other countries.

In an interview with SUARA KARYA last week Rachmat Saleh S. E., minister of trade, did not say whether it has often occurred that protection has sacrificed competitiveness. He only said: "What is ideal is if protectionism truly protects the comparative advantages of those protected, maybe because of our favorable position from the standpoint of raw materials for the industry concerned or because of the expertise or special skills of our people. What this means is that we must be truly certain of all this before giving protection."

The wisdom of protecting domestic industry is certainly normal and customary, especially in developing nations, even more so if it involves industries which are newly developing. Protection for specific industries almost cannot be avoided. But more important than that is determining which industries should be protected and the method of protection.

No less important, said Rachmat Saleh, "protectionism must be of a temporary nature. As long as that protection is given, the efficiency of the industry should increase and its products become more competitive. If the protection eventually reduces the efficiency of exports, certainly it is not the type of protectionism which should be continued."

Quality

The efficiency of a factory certainly has an important role in the production process, but no less important is the role of raw materials or auxiliaries. This connection demands the most appropriate protection so that protection for the raw material/auxiliary factories does not sacrifice competitiveness of export commodities which are produced from the raw materials/auxiliaries which are protected.

DEMOCRATIC PARTY ASKS GOVERNMENT TO FORM CENTRAL BOARD

Jakarta ANTARA NEWS BULLETIN in English 19 Apr 86 pp A6, A7

[Text]

Jakarta, April 19 (ANTARA).- The Indonesian Democratic Party (PDI) ended its third congress Friday evening with a decision to request for the government to arrange the composition of the party's central executive board for the 1986-1993 period.

The decision further stated that the present executive board was declared as outgoing and will continue their activities until the new board is formed.

The commission for party organization had failed to arrange the procedure for electing the party's general chairman.

Home Affairs Minister Soepardjo Rustam closed the congress with the hope that the new executive board to be formed later will be more open to aspirations of the party members and will be capable of putting its national policy into its programs.

He was of the view that the PDI congress had gone very friendly and healthy and consistent with the Pancasila and 1945 Constitution reference.

He said that conflict of views during a congress is inseparable from the life of social and political organizations.

Marsusi, member of the PDI commission said that all representatives of the congress unanimously agreed to the decision to request the government to form the PDI executive board.

He denied that the decision was a tragic one though admitted it had been made for the first time in the history of PDI.

PDI Secretary General Sabam Sirait, meanwhile, said that Minister Soepardjo will first consult the representatives of the regional chapters of PDI before forming the PDI central executive board.

/9274

CSO: 4200/1003

TRADE AGREEMENT WITH BULGARIA SIGNED

Jakarta ANTARA NEWS BULLETIN in English 18 Apr 86 p A7

[Text]

Sofia, April 17 (ANTARA) - Indonesian and Bulgarian chambers of commerce and industry signed here Monday an agreement for the improvement of trade and economic cooperation between the two countries.

Indonesia was represented by Sukamdani S. Gitosardjono, chairman of Kadin (Indonesian chamber of commerce and industry) and Bulgaria by Petter Roussev, chairman of the Bulgarian CCI. Indonesian Ambassador to Bulgaria Akosah witnessed the signing ceremony.

The seven-article agreement says, among other things, that both countries will use every opportunity to foster cooperation in trade, economic, scientific and engineering fields and encourage commercial activities as well as contacts between Indonesian and Bulgarian companies.

The two sides agree to exchange information regularly on economy, foreign trade, new trade regulations and customs regulations, and hold symposiums and consultations on specific issues.

Both the Indonesian and Bulgarian chambers of commerce and industry will support each other in organizing trade fairs and other exhibitions in Bulgaria or in Indonesia. They also agree to step up the exchange of trade and technical delegations.

Slow

The Kadin chairman said Indonesia and Bulgaria signed a bilateral trade agreement in 1968 and in 1985 and several Indonesian companies have made contacts with Bulgaria but the growth of bilateral trade has so far remained slow.

Sukamdani said he had no doubt of about the bright prospect of trade relations between Indonesia and Bulgaria as both countries had economic potentials.

"It is therefore very important for us to do anything to improve our trade relations to the desired level, especially through the diversification of exportable commodities," he said.

Data show that Indonesia's exports to Bulgaria in 1984 consisted only pepper, while in the same year Indonesia's imports from that socialist country comprised chemicals, machine-tools and spareparts of pumps.

ITALY OFFERS LEATHER, SHIPPING TECHNOLOGIES

Jakarta ANTARA NEWS BULLETIN in English 11 Apr 86 p A5

[Text]

Jakarta, April 10 (ANTARA).— Italy is willing to further increase trade and economic cooperation with Indonesia and to help Indonesia in the field of technology, among others in the leather and shipping industries.

J. Etcoy, director of foreign trade relations bureau of the Trade Ministry said this here Thursday, following a meeting between Trade Minister Rachmat Saleh and the Italian parliamentary delegation led by Mario Tassone.

Mario Tassone who is also Italian Youth Minister for Public Works, on the occasion, expressed the willingness of his government to buy more commodities from Indonesia.

Indonesia is a leather producing country and Italy is interested in investing its capital in leather processing industries, particularly in the shoe industry.

Minister Rachmat Saleh suggested that the Italian businessmen should establish a joint venture company with Indonesian businessmen.

Besides in leather industry, Italy is also prepared to help the Indonesia in shipping and marble industries.

To increase trade relations with Italy, Indonesia will shortly assign a trade attache in Rome.

Trade balance

In the last five years (1980-1984), the Indonesia-Italy trade balance has been favourable for Indonesia except in 1983 when Indonesia underwent a deficit of around US\$ 5.23 million.

Indonesia's export value to Italy in 1980 was recorded at 254.42 million dollars and its import value from the country stood at 75.88 million dollars or a surplus in Indonesia trade balance of about 178.53 million dollars.

In 1982 Indonesian export to Italy dropped to 141.49 million dollars whereas its import amounted to 104.42 million dollars or a surplus of 37.07 million dollars for Indonesia.

In 1983, Indonesia's exports declined to 119.47 million dollars while its imports from Italy rose to 124.71 million dollars or a deficit of 5.23 million dollars to Indonesia.

But in 1984 Indonesia's export to Italy again increased to 167.33 million dollars and its import stood at 113.19 million dollars or a surplus of 54.14 million dollars in favour of Indonesia.

Indonesian export commodities to Italy are among other things coffee, tin, rubber, textile, garments, palm oil and rattan. Its imports from Italy are mostly for industrial devices.

KADIN DELEGATION DISCUSSES INCREASED TRADE WITH ROMANIA

Jakarta ANTARA NEWS BULLETIN in English 19 Apr 86 pp A1, A2

[Text]

Warsaw, April 18 (ANTARA).-- The expansion of trade between Indonesia and Rumania was discussed by General chairman of the Indonesian Chamber of Commerce and Industry (Kadin) Sukandani S.Gitowardjono and Rumanian Prime Minister Constantin Dascalescu at his office in Bucharest.

Dascalescu on the occasion wished Indonesia would increase its purchases of goods and products from Rumania bringing the balance of trade between the two countries at a mutually beneficial level.

He said Indonesia's 1985 exports to Rumania were estimated at US\$ 16 million, while Indonesia's imports from the East European country were worth US\$2.2 million.

Dascalescu recalled President Soeharto's visit to Rumania in September last year, which was followed by a return visit by the Rumanian premier in December. He hoped the exchange of the visit would effectively contribute to expanding the trade and economic relations between the two countries.

Rumania has sent many trade delegations to Indonesia, but the trade volume between the two nations is still small compared to the frequency of the visits.

Sukandani, meanwhile, expressed confidence that the trade balance will gradually improve toward mutual benefit.

He added that as a gesture of goodwill, the trade delegation to the European countries included representatives of shipping and insurance companies and banks for a more effective expansion of the trade.

Dascalescu at the meeting also wants Indonesia's participation in the International Fair to be held in Bucharest in October this year.

Long awaited

The chairman of the Rumanian Chamber of Commerce concurrently Deputy Minister of Foreign Trade and International Economic Cooperation Nicolae Andrei told a plenum at his ministry Thursday that the Indonesian trade mission's visit had long been awaited.

Rumania, he said, needed many different Indonesian commodities such as coffee, rubber, pepper, and plywood.

Rumania, on the other hand, may offer Indonesia its machinery.

/9274

CSO: 4200/1003

TRADE PROMOTION WITH YUGOSLAVIA DISCUSSED

Jakarta ANTARA NEWS BULLETIN in English 11 Apr 86 pp A7, A8

[Text]

Belgrade, April 10 (ANTARA).-- The Indonesia-Yugoslavia Business Cooperation Council met here Tuesday and Wednesday as follow up of an agreement between the two countries' chambers of trade concluded in Jakarta in October 1983.

The Indonesian delegation at the meeting consisted of 30 businessmen led by Kadin (Chamber of Commerce and Industry) General Chairman Sukamdani Gito-sardjono and the Yugoslav business mission was headed by Nikola Filipovic.

The two sides discussed bilateral trade relations between the two countries and measures to be taken for promoting economic and trade cooperation.

Both sides underlined the need for expansion of bilateral trade as it has been going on in a relatively small volume.

Indonesia has offered its rubber, coffee, cacao beans, canned pineapple, black pepper, vanilla, spices, palm oil, sawn timber, veneer, plywood, rattan products and furniture.

The Yugoslav businessmen offered their chemicals, X-ray and medical equipment, vehicles, cables, ships of various types and for different purposes, machinery for agriculture, telecommunication equipment and oil drilling tools.

While in Yugoslavia from April 7 through 10, Sukamdani visited Foreign Minister Dr. Milenko Bojonic, Deputy Chairman of the Federal Committee for Energy and Industry Peter Trencovski and member of the Federal Executive Council/Chairman of the Yugoslavia-Indonesia Joint Commission Rikard Stajner.

Sukamdani also paid homage to the Josip Broz Tito Memorial Centre.

The Indonesian trade delegation concluded its three-day stay in Yugoslavia Thursday and proceeded to Hungary.

The result of the meeting between the chambers of commerce of the two countries were laid down in a joint statement signed by the two chief delegates on April 9, 1986 in the presence of the Indonesian Ambassador R.M. Jono Hatmodjo.

/9274

CSO: 4200/1002

MINISTER BELIEVES 3 PERCENT AGRICULTURAL GROWTH ACHIEVABLE

Jakarta KOMPAS in Indonesian 11 Feb 86 p 1

[Excerpt] The agricultural sector must continue to grow at a 3 percent rate even though 1986/87 budget funds planned for the agricultural and irrigation sector are 1,105.5 billion rupiah, a decrease of 22.4 percent compared to the previous budget year.

The minister of agriculture, Ir Achmad Affandi, in a working meeting at the Parliament building in Senayan on Monday with Commission IV of Parliament, which covers agriculture and forestry, said the agricultural sector must continue to safeguard procurement of food, production of foreign exchange, supply of basic materials for industry, and absorption of manpower.

At the working meeting led by Commission IV chairman Warno Hardjo of the United Development Faction, Affandi explained that from the more than 1 trillion rupiah in funds, irrigation received 233.7 billion rupiah and fertilizer subsidies were 671.5 billion. After the budget is reduced for project assistance, export credit, obligations, and the Forestry Department, the development budget left to the Agriculture Department is 83.4 billion rupiah or about 48 percent of the 1985/86 budget.

A 3 percent growth rate in the agricultural sector, said Affandi, may optimistically be achieved because there has already been much valuable investment during the 17 years of agricultural development.

"Software" investment covers, among other things, 20,000 agricultural extension agents and 200,000 farmers groups which form the vanguard of agricultural extension in the field.

12836/13045
CSO: 4213/111

INCREASE IN RURAL WELFARE REPORTED AT CABINET MEETING

Jakarta KOMPAS in Indonesian 6 Feb 86 p 1

[Excerpt] The limited cabinet meeting on economic, financial, and industrial affairs held last Wednesday (5 February) at the Bina Graha reported that from economic research done by the Ministry of Agriculture last year in East Java concerning patterns of rural consumption and expenditure, it appears there has been an increase in rural welfare.

Minister of Information Harmoko, who reported the results of the meeting, explained that from this research it is known that during 1980 expenditures for foodstuffs still accounted for 72.3 percent of total household expenditures. In 1984 it decreased to 65.1 percent. And according to last year's research, expenditures for foodstuffs decreased further, ranging from 44.1 to 66.7 percent. Decreases in household expenditures for foodstuffs are an indication "that rural welfare is increasingly rising," said Harmoko.

The higher the welfare of a community group, the smaller percentage of expenditures for foodstuffs becomes and the larger the percentage for non-foodstuffs such as housing, education, health, recreation, and the like.

According to the minister of information, research conducted by the Ministry of Agriculture was done to examine the results of development in general and, in particular, development in the agricultural field. In connection with the results of the East Java study, President Suharto, who presided over yesterday's meeting, gave instructions for similar research in other areas. "It is important to know how far regions and provinces have raised production in connection with efforts to diversify the menu," said the head of state, as was reported by Information Minister Harmoko.

12836/9604

CSO: 4213/108

UNFINISHED PUBLIC WORKS PROJECTS NOT TO BE ABANDONED

Jakarta KOMPAS in Indonesian 7 Feb 86 p 1

[Excerpt] The government will not abandon public works projects on which construction has already begun but which are unfinished at the end of fiscal 1985/86. Even though funds are limited, the allocation of funds will continue at least for maintenance so that the projects are not damaged. The government's attitude was stated by the acting Minister of Public Works Ir Hartarto last Wednesday (5 February) at a working meeting of Commission V of Parliament.

Hartarto made this statement in connection with worries that many public works projects were wasted because of limited construction funds. The budget for building public works projects in the 1986/87 draft budget (RAPBN) is drastically reduced compared with the year before. In RAPBN 1986/87 public works projects receive only allocations of 361.1 billion rupiah, or 50.7 percent of the 1985/86 budget, which was 744.8 billion rupiah.

The fund allocation policy, in view of the reduction in the construction budget, will give priority to activities for maintenance and repairs in the fields of roads and irrigation.

According to Hartarto, the government is also aware of the possibility of a negative impact which may occur as a result of the reduction in the development budget. In this matter he mentioned the possibility of firings of contract workers by the Ministry of Public Works. Another harmful possibility which may occur is the idling of heavy equipment which has already consumed a considerable amount of investment expenses, along with project staff who do not have enough work because of a decrease in construction projects.

Foreign assistance projects which have already obtained loan agreements will be given priority for the disbursement of matching rupiah funds, whereas multiyear projects will be extended in accordance with available funds, "that is, if there is a project which was formerly scheduled for completion in 3 years, that will be extended to 5 years," he said.

12836/9604
CSO: 4213/108

FIRING OF 11,000 . . .ERS IN WEST KALIMANTAN AVERTED

Jakarta KOMPAS in Indonesian 6 Feb 86 pp 1, 7

[Excerpt] Due to good coordination between the Ministry of Manpower, the Ministry of Industry, and the Indonesian State Bank 1946, a work severance that threatened approximately 11,000 workers in West Kalimantan was averted. This announcement was made to reporters Wednesday (5 February) morning in Jakarta by the minister of manpower, Sudomo.

Recently around 11,000 workers from PT Harapan Kita Utama in West Kalimantan were almost fired. The cause was that the business, which produces plywood, was threatened with bankruptcy and was delinquent in a large number of bank credit payments. Operational costs of about 9 billion rupiah per month plus the burden of interest on capital could no longer be borne by the company.

Until now, the supply of the raw materials as well as marketing were not too bad for the company named above. Nevertheless, the burden of operational costs became so great and it was assumed this would become a serious obstacle to smooth functioning. Wednesday morning the principal director of BNI 1946, Somala Wiria, informed Minister Sudomo of the latest results of discussions between the bank and the owners of PT Harapan Kita Utama.

Takeover

Minister Sudomo said that according to Somala Wiria's explanation, management of the plywood business would be taken over by the bank in cooperation with an investor. The identity of the investor involved is not known yet. "Nevertheless clearly the government, through the bank, has succeeded in preventing the possibility of firings," he said.

According to the manpower minister, the effect of firing 11,000 workers would not have been small. Based on a formula of economic relations published by the International Labor Organization, the decision to fire one worker causes economic effects which are felt by three other workers. Because of this, the firing (PHK) threat to 11,000 workers would be felt indirectly by 33,000 other workers. This means no fewer than 44,000 families would experience a shock as a result of the PHK threat.

Cooperation

Success in preventing the PHK above at the same time proves the good cooperation between the Department of Manpower and the Department of Industry. Through a special team the Manpower Department has lately watched and dealt with the problem of a loss of jobs. If the possibility of a large loss of work arises as a result of a bankruptcy of a business, the team will tackle it and then discuss it with the Department of Industry.

The discussion is intended to find a way to prevent the occurrence of PHK. The Department of Industry might propose restructuring and give recommendations on obtaining additional credit or other means to save the business. According to Sudomo, the Ministry of Industry has a list of businesses which will possibly develop, which are sustainable, or which are already critical.

The case of PT Harapan Kita Utama, according to Sudomo's opinion, occurred as a result of errors of the management. In a feasibility study it was stated the business should have only three production units. This was also in accordance with the recommendations of the bank providing credit.

Nevertheless, the owners of the business operated nine units. "Finally the costs of operation, which should have been 3 billion rupiah, increased to 9 billion. This, plus the recession, disturbed the business' liquidity," said the minister.

The manpower minister suggested that entrepreneurs closely watch the development of the economy as well as technology, especially entrepreneurs in the electronics field where lately it has been very difficult to predict technological developments. In less than a quarter of a century technological advancements have occurred which were beyond expectations.

12836/9604

CSO: 4213/108

FEWER COMPANIES WITHIN INDUSTRIES DEPARTMENT LOSE MONEY

Jakarta SUARA KARYA in Indonesian 11 Feb 86 p 1

[Text] In 1985 fewer state-owned companies (BUMN's) within the Ministry of Industries suffered losses as compared to the year before.

The minister of industry, Ir Hartarto, after meeting with President Suharto on Monday (10 February) at the Bina Graha said that BUMN losses in 1985 decreased 39.8 percent, compared to 1984, to a total of about 75.75 billion.

According to the minister, the state-owned companies which are still experiencing losses are generally in the areas of textiles, paper, and shipyards. The minister did not specify which companies experienced losses in 1985.

The total number of BUMN's within the Ministry of Industry is listed as 64 companies consisting of 35 partnerships, public corporations, and state enterprises and 29 joint ventures with national and foreign private business.

Total BUMN sales achieved in 1985 are valued at 2,043,47 billion rupiah. This amount means a 26.7 percent increase in sales compared to the previous year.

Up to the end of 1985 the BUMN's recorded profits of 185.635 billion rupiah before taxes, or a 14.3 percent increase as compared to the previous year.

Eighty billion rupiah in profits from a group of fertilizer industries were turned over to the government for the reduction of the fertilizer subsidy.

The president, when informed of the profit obtained by the BUMN's, gave instructions to the minister of Industry to control the level of BUMN profits because the primary role of the BUMN's is to provide a service to society.

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CSO: 4213/111

HABIBIE DESCRIBES PT NURTANIO'S PROFITABLE OPERATION

Jakarta HARIAN UMUM in Indonesian 6 Feb 86 pp 1, 7

[Excerpt] Minister of Research and Technology B. J. Habibie stated that every airplane sold by Nurtanio Airplane Industry, Inc. (PT IPTN), is profitable and is not subsidized. Because every product sold by PT IPTN is based on a commercial business system, the company already is able to stand on its own.

Answering questions of the press shortly before a limited cabinet meeting on economic, financial, and industrial affairs at the Bina Graha Wednesday (5 February) morning, Minister Habibie, who is also the principal director of PT IPTN, said further that the company now continues its airplane marketing efforts overseas other than in ASEAN and the African nations.

Concerning plans to exchange Garuda DC-9 planes with planes produced by IPTN in the future, Habibie said the matter will be implemented because in 1992 IPTN is planning to produce new planes with a capacity of 85 to 120 passengers.

He explained that the new planes which use sophisticated propfan technology will save around 30-50 percent of its fuel as compared to current jets. Contracts to work together on the propfan jet were signed in January by IPTN, Boeing, and MBB (a German airplane company).

The minister also stated that IPTN began paying taxes on its profits in the third year since its establishment. In 1984 IPTN obtained a profit of around 10 billion rupiah and paid taxes on it. Besides that, the company must also pay an income tax and sales tax.

Concerning the investment which has been made up to now in the airplane company, Habibie said it has reached approximately half a billion U.S. dollars. IPTN also has given scholarships to 200 workers who were trained overseas. The number of workers absorbed by the company is approximately 13,000.

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CSO: 4213/108

INVESTMENT BOARD CHIEF ON STATE-OWNED COMPANIES, INVESTMENT

Jakarta KOMPAS in Indonesian 15 Feb 86 pp 1, 12

[Text] The government is currently investigating conditions of State-owned Companies (BUMN's). If a BUMN is found not to be doing well the government will improve it by taking various steps.

The chairman of the Capital Investment Coordinating Board (BKPM), Ir Drs Ginandjar Kartasasmita, stated this in a hearing of Parliament Commission VI which was led by Ir Soenaryo Haddade at the Parliament building in Senayan on Friday (14 February).

According to Ginandjar, results of the BUMN investigation will certainly be varied. For example, BUMN's which are found to be in good condition will continue to be supported to achieve a higher level, whereas those which need to be improved or are not in good shape will be improved by taking various steps in accordance with the existing conditions.

The government will study what precise steps must be taken for BUMN's in poor condition. If it is a problem of capital, for example, there are several alternatives for improvement such as adding to it or searching for loans from other sources.

If steps are taken, and the BUMN has not been able to improve its condition, the involved state-owned company will be made private. This would be the final action taken by the government. "Rather than let a company be in the red and inefficient, it is better to privatize it," said Ginandjar.

No Privatization Yet

Ginandjar, who is also Junior Minister in charge of Increasing the Use of Domestic products, said further that there have not yet been government decisions to make any BUMN private. "What we have are BUMN's working with private cooperation. For example, in new projects there are a large number of such companies" continued the junior minister.

Parliament Commission VI asked about incentives the policy of the BKPM to increase investment. In answer to that question, the BKPM chairman said that the incentive for investing capital in Indonesia actually is not entirely based on the special facilities which are provided.

According to Ginandjar, the incentive for investing capital is primarily the comparative advantages of Indonesia, such as rich natural resources, the potential market along with political stability, and an economy which is well managed. Other facilities provided are secondary, such as an exemption from import duties for imported capital goods.

He evaluated government policies taken up to now concerning capital investment as still adequate to stimulate investors to use their capital in a productive manner in investment activities in Indonesia.

The BKPM chairman took the opportunity to point to taxation. Even though tax regulations have undergone various changes, the new regulations still provide sufficient investment opportunities, especially if viewed from the importance of long-term investment.

In addition, to stimulate capital investment, the BKPM stresses efforts to create a better investment climate by improving BKPM management and procedures along with service by using inputs in the form of suggestions and complaints from society.

For example, the BKPM always makes efforts to provide prompt answers which are precise, even though the answer given is not always affirmative. Besides that, the Priority Rating List, are continuously considered so as to expand continually the opportunities for the investment of capital in sectors which are still open.

Use of the Budget

In the 1986/87 draft budget, the BKPM will have a budget of 1,208 billion rupiah, which is smaller if compared to the 1985/86 budget. The BKPM chairman said the budget will be used among other things for planning activities which include regional and sectoral investment, profile studies of regional investment in which investment capital is supported so that it will spread to areas outside the island of Java, especially to open new economic centers.

There will be investment promotions both inside and outside of Indonesia. Promotion within Indonesia includes business meetings with domestic companies in efforts to increase the domestic investment of capital. Business meetings with foreign investment missions have also been organized.

Overseas promotion is organizing business meetings which are planned for three times a year. This is to increase the flow of capital investment from overseas to Indonesia. "Promotion materials prepared in the framework of supporting both domestic and overseas promotion activities are in the form of information in leaflets, brochures, films, slides, and other publication materials," said Ginandjar.

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CSO: 4213/111

THIRD UNIT OF GRESIK FERTILIZER PLANT COMPLETED

Jakarta ANTARA NEWS BULLETIN in English 10 Apr 86 pp A6, A7

[Text]

Jakarta, April 10 (ANTARA).-- President Soeharto early May is scheduled to inaugurate the third unit of the A fertilizer plant at Gresik, East Java, which has a capacity of 200,000 tons per year, simultaneously with 14 base metal industrial projects in East Java. Minister of Industries Hartarto informed newsmen after his meeting with the President at

Istana Merdeka Thursday, adding that the plant's feasibility study up to its basic and detail engineering as well as its construction management and machinery manufacturing were for the greater part carried out domestically.

The third unit of the fertilizer plant which is managed by Petro Kinia Gresik, is, according to Minister Hartarto, set up with an investment of Rp15.1 billion, which is 33 percent cheaper than if built by foreign contractors. The construction of the project was completed four months earlier than scheduled.

After the completion of the third unit of the Gresik A fertilizer plant, the present overall installed national capacity has reached about 650,000 tons per year, viz. the first unit about 200,000 tons, the second 250,000 tons and the third 200,000 tons.

This production is expected to be sufficient to meet domestic demands until 1989, the minister said.

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CSO: 4200/1002

SOUTH SULAWESI TO PRODUCE COAL FOR TONASA CEMENT PLANT

Jakarta ANTARA NEWS BULLETIN in English 11 Apr 86 p A2

[Text]

Ujungpandang, April 11 (ANTARA).-- South Sulawesi's Third Region Mining and Energy Development Project is at present carrying out coal exploitation at Turipakkua village, Bone regency, 120 kms northeast of Ujungpandang.

The mining potential is about 4.7 million tons on an area of 25 hectares, A.Rochman Sastradijaya, South Sulawesi mining and energy office public relations officer said to ANTARA Thursday.

The production of the coal mine is to meet fuel requirements of the Tonasa cement plant, which has shifted from fuel oil to coal, he said.

The excavations are carried out in a modest way, involving about 400 local workers through the use of bulldozers, excavators and dumptrucks as well as scores of pack horses for transportation of the coal from the mining site to the collecting center.

The mining activities involve Lalabata and Berkah village cooperative units (KUD) with an average production of 25 to 50 tons per day.

According to Rochman, the Tonasa cement plant which is the biggest in the East Indonesia region, uses an average of 120,000 tons of coal per year.

Apart from the Tonasa cement factory, Gowa paper-mill has also shifted to the use of coal. According to latest research results of the South Sulawesi mining and energy office, South Sulawesi has a potential of some 12 million tons of coal with main reserves in the regencies of Bone, Pangkajene, Maros and Luwu.

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CSO: 4200/1002

KNPI MEMBERS TRANSMIGRATE TO SOUTH SUMATRA

Jakarta ANTARA NEWS BULLETIN in English 11 Apr 86 p A4

[Text]

Jakarta, April 11 (ANTARA).- Transmigration Minister Martono has said that one important thing that transmigrants must believe is that transmigration program is one of the ways to settle the population problem in the country.

With this belief the transmigrants will feel they have a share in building the country, he said before 118 families of transmigrant of the Indonesian Youth National Committee (KNPI) organization leaving for South Sumatra Thursday.

The minister added each transmigrant must also have perseverance to meet the challenges in the new land.

He admitted everything will be hard at the beginning. However, by working hard all challenges will surely be overcome.

The second batch of transmigrants of KNPI came from Pandeglang and Lebak, West Java. They have received skills training on agriculture, animal husbandry and plantation for one month.

The first batch of transmigrants of KNPI consisting of 72 families left for the region last January, a release from the public relations office of the ministry of transmigration has said.

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CSO: 4200/1002

'IDEAL' COMPOSITION OF PDI LEADERSHIP SUGGESTED

Jakarta KOMPAS in Indonesian 14 Feb 86 p 12

[Text] The ideal composition of the leadership of the Indonesian Democratic Party (PDI) would be one-third from the senior-generation level, one-third from the successor generation, and one-third from the young generation. The senior-generation level would sit for one term while the successor generation would have two terms, whereas the young generation would have the opportunity for three terms of leadership.

Under that theoretical mechanism, a feeling of clogging in the ladder of career leadership could be avoided. This is the opinion of Central Executive Council Chairman Drs H. Hardjantho Sumodisastro in a press statement received by KOMPAS yesterday.

Hardjantho gave this opinion to guarantee continuity in the transfer of party leadership and to prevent the occurrence of a gap in the future. In spite of the above criteria he said one must continually pay attention to leadership requirements and party discipline without ignoring the rights of congress participants.

Third PDI Congress

He hopes that the PDI Congress III which will take place in April 1986 will exhibit maturity and will not be disorderly. But the congress must be conducted as a meeting of conception and not as a meeting of power. Principal working papers to be given at the PDI Congress III will include numerous issues, among others making a success of the 1987 General election, economics, finances, and development, socio-cultural and foreign topics as well as politics and democracy.

12836/13045

CSO: 4213/111

NATION TO TAKE PART IN TECHNOLOGICAL EXHIBIT IN CANTON

Jakarta ANTARA NEWS BULLETIN in English 11 Apr 86 p A4

[Text]

Jakarta, April 10 (ANTARA).— Indonesia has been invited to take part in an exhibition of technological products in Canton, China from July 18 to 23, 1986.

Chairman of Uni-Ham Investment, Ltd. of Hongkong Liu Meng Siung said here Thursday the exhibition is specially held for products from Southeast Asian countries as neighbours of the People's Republic of China.

The exhibition will stress technological products from tropical resources and their use.

Indonesia's industrial products are not much known by the Chinese even though direct trade between the two parties was initiated seven months ago.

The exhibition is an opportunity for Indonesia to market its products in China which has a population of around one billion, according to Liu Meng Siung.

Indonesia could display its plywood, products from oil palm and others representing its natural resources.

Indonesian producers interested in the exhibition can contact H Panglima Muda Agung, Jl Panglima Bolim Raya no. 102, Jakarta.

Before going to Canton, participants to the exhibition will have to go to Hongkong first to prepare for their visit to China, including transportation. In Hongkong they will be taken care of by Uni-Ham Ltd as sponsor of the exhibition.

During the exhibition the committee of the event will also hold discussions on technology to improve technological knowhow of the participants and teach them how to choose the best of display.

Participation of the Southeast Asian countries in the exhibition is expected with regard to the effort of the Chinese government to develop Hainan island and the provinces of Yunnan, Guangdong, Guangxi and Fukien as the closest Chinese areas to Southeast Asia, he said.

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CSO: 4200/1002

BRIEFS

LNG PRICE NEGOTIATION WITH JAPAN--Pertamina, the state oil company, and Japan are still negotiating the price of Indonesia's Liquefied Natural Gas (LNG). The price of Indonesian LNG is closely related with the prevailing price of crude oil. But at the present time, the price of crude keeps dropping on the market. The Japanese suggested US\$3 per 1 million BTU, while Indonesia prefers the price to stand at about US\$5 per 1 million BTU. In 1984, Indonesia's LNG exports reached about 738,391,245 million BTU, while the total reached only 720,111,640 million BTU up to and including November 1985. The LNG was exported at US\$5 per 1 million BTU. Indonesian LNG exports to Japan, started in November 1985, are still going on, but the price is still being negotiated. Indonesian LNG faces competition from those of Brunei, Malaysia and Australia. [Text] [Jakarta BUSINESS NEWS in English 18 Apr 86 p 3] /9274

DUTCH GRANT FOR RIVER PROJECT--The Indonesian Government and the Dutch Government signed here Monday an administrative agreement for the third stage handling of the Kali Ronto river catchment development project which is located in East Java. Secretary General of the Forestry Department Ir Sudjono Surjo and Dutch Ambassador to Indonesia Dr P. van Dongen respectively represented the Indonesian Government and the Dutch Government in the ceremony. For the third stage handling of the project, the Dutch Government has extended a grant worth 9 million guilders to Indonesia. The first stage of the project, consisting of the inventory of data, runs from September 1979 to March 1983. While the handling of the project in the second stage, comprising the drawing up of a plan, runs from April 1983 to December 1985. The third stage is taking place from January 1986 to December 1988. [Text] [Jakarta BUSINESS NEWS in English 18 Apr 86 p 9] /9274

EXPORTS TO SOUTH KOREA INCREASE--Jakarta, 15 Apr (ANTARA)--South Korea's import from Indonesia during 1985 increased to US\$668.6 million from US\$652.8 million in the corresponding period of the previous year, Chung Hae-Soo, director of South Korea's Trade Centre (KOTRA), said in a press release Monday. "The export realization of Indonesia to South Korea indicates a stable increase although Indonesia's overall export tend to decline recently as the result of a drop in the price of oil," he said. South Korea's import from Indonesia during 1985 covered crude oil worth 542.5 million dollars, coffee 16.9 million dollars, sawn timber 13.4 million dollars, natural rubber 10.4 million dollars, cattle fodder 7.6 million dollars, tin 8.1 million dollars, plywood 5.5 million dollars and goat and sheep hides five million dollars. On the other hand, South

Korea's export during the same period were recorded at about 195.5 million dollars. "It shows a drop by 23 percent if compared with that of the previous year which stood at 254 million dollars," Chung Hae-Soo said. South Korea's export to Indonesia consisted of iron and steel products worth 43.6 million dollars, PVC resin 42.7 million dollars, yarns and textile products 22.1 million dollars, machineries 15.4 million dollars and electronics components worth 10.8 million dollars. Chung said, the development of the trade relation showed an increase in Indonesia's trade balance notably from about 135.5 million dollars in 1983 to 398.8 million in 1984 and to 473.1 million dollars in 1985. To balance the two countries' trade development, Chung expected that the Indonesian Government and private sector would buy more of South Korea's products. [Text] [Jakarta ANTARA NEWS BULLETIN in English 15 Apr 86 pp A1, A2] /9274

EXTRADITION TREATY WITH ASEAN COUNTRIES--Denpasar, 11 Apr (ANTARA)--Justice Minister Ismail Saleh and Attorney General Hari Suharto have stated that Indonesia has not concluded an extradition agreement with four of the members of ASEAN (Association of Southeast Asian Nations). The only extradition agreement the country has with its fellow-ASEAN members is with Thailand. However, Indonesia will [word omitted] to conclude such an agreement with the other ASEAN members in the near future. "We will do it step by step, in accordance with the latest developments," Ismail Saleh said when answering reporters' questions, following the opening of a meeting of ASEAN justice ministers and attorneys general at the Bali Beach Hotel, Sanur, seven kilometers east of here. On a separate occasion Attorney General Hari Suharto said an extradition agreement between Indonesia and all ASEAN member countries is expected to be materialized soon. He further said the agreement with Thailand is based on efforts to respect about countries' interests. "It is possible that some ASEAN members still consider the extradition agreement as not really necessary," said Hari Suharto. However, although there is no formal agreement, if any of the association's member has a problem, it will always receive a support from the others in line with the ASEAN spirit. [Text] [Jakarta ANTARA NEWS BULLETIN in English 12 Apr 86 p A4] /9274

ABSENCE OF COMMUNISTS ASSURED--Pontianak, West Kalimantan, 17 Apr (ANTARA)--Philippine Ambassador Manuel P. Yan Thursday asked West Kalimantan Governor H. Soedjiman in a short sentence using Indonesian language "Apa ada Komunis (are there any communists)." The question was put forward when the governor explained about the border of West Kalimantan and Serawak, Malaysia to the guests interested in knowing more about Indonesia. West Kalimantan that is next to Malaysia gets his special attention, especially the province's development is supported by a stable security. The governor explained to the state-guest, who was accompanied by defence attache Colonel Lei Barnes, that the whole province is in a safe condition, there were no communist rebels. All the troubles ended in 1974. The relations with Malaysia in Serawak are very good, the governor added. [as printed] It is proved by the exchange visits between officials and people of West Kalimantan and Serawak, Pontianak and Kuching, especially through the borderline. West Kalimantan with its 2.8 million of population on an area as large as provinces in Jaya, is rapidly carrying out development with priority to the development of agricultural food and transportation facilities. [Text] [Jakarta ANTARA NEWS BULLETIN in English 17 Apr 86 p A4] /9274

ABRD, ADB AID FOR ROAD DEVELOPMENT--Mataram, 16 Apr (ANTARA)--IBRD (the International Bank for Reconstruction and Development) and ADB (the Asian Development Bank) provide Rp. 1.9 billion in aid to increase road facilities in West Nusa Tenggara and including Mataram, the capital city. Spokesman of the regional administration of West Nusa Tenggara (NTB) told ANTARA Wednesday that the assistance is part of loans received by the Indonesian government. NTB also provides supporting funds through its regional budget of which 80 percent is from IBRD, while the remaining 20 percent is from the regional budget, and 55 percent from ADB, while the 45 percent is from the regional budget. Besides from IBRD and ADB, NTB also receives assistance from USAID (United States Assistance for International Development) amounting to Rp.400 million for the regional development in 1986-1987. Other funds obtained from other international bodies include Rp.1.9 billion for the social and agriculture development. CARE and HIVOS of the Netherlands provide assistance worth 60 percent of the total value of their projects in NTB while the remaining 40 percent covered by the 1986-1987 regional budget. [Text] [Jakarta ANTARA NEWS BULLETIN in English 17 Apr 86 p A1] /9274

LAND FOR TRANSMIGRATION --Jayapura, 18 Apr (ANTARA)--The Ayamaru tribe of the regency of Sorong have recently handed over 14,750 hectares of their communal land to the regional administration for use as transmigration site. The land which is situated in the district of Teminabuan is good for food crop development and industry according to surveys, the head of the regional office of the ministry of transmigration, Ponijan, said to ANTARA Thursday. He added the Ayamaru and other tribes in the regency had expressed their joy over the plan of resettlement in their region. Ponijan said in the current Fourth Five-year Development Plan the regency of Sorong plans to receive as many as 14,000 families of transmigrant. [Text] [Jakarta ANTARA NEWS BULLETIN in English 18 Apr 86 p A3] /9274

COAL SHIPMENT TO SURALAYA--Benjarmasin, 17 Apr (ANTARA)--The first shipment of coal from South Kalimantan will take place in June to meet Suralaya (West Java) steam powerplant requirements for fuel. About 60,000 tons of South Kalimantan coal are at present ready for shipment. Coal exploitation is mostly carried out in the eastern part of the province, in Kotabaru regency. South Kalimantan provincial legislative council deputy chairman, Haji Muhammad Yusuf, pointed out to ANTARA that South Kalimantan had an abundance of coal reserves mostly in Kotabaru, Pengaron and Banjar regencies, so that the original plan to build a hydroelectric powerplant for these regions has probably to be changed to a steam powerplant, Yusuf said. [Text] [Jakarta ANTARA NEWS BULLETIN in English 17 Apr 86 p A7] /9274

FRETILIN, UDT UNITE--FRETILIN and the UDT, rightist and leftist organizations, respectively, promoting self-determination for Timor, have agreed to work together internationally to obtain independence for their homeland. The main argument about the Communist danger in the area that Indonesia cites to oppose the territory's independence thus becomes meaningless. Abilio Araujo, ambassador-at-large and leader of FRETILIN, and Moises Amaral, UDT president, headed delegations which met yesterday at FRETILIN headquarters on the Calçada de Carriche in Lisbon. A few days before, the two delegations had met at the UDT's offices on Duque de Loule Avenue. For the time being, the two delegations agreed to request jointly meetings with the president of the

Republic and the prime minister to exchange opinions on the current Portuguese government position on the Timor problem. They also decided to establish joint contact with the other Lusophone countries to express their gratitude for the positions they have taken on the matter in international forums and to inform them of the agreement just reached. The first attempt to merge the two organizations was made about a year ago by FRETILIN. At the initiative of Miguel Anacoreta Correia, CDS leader (a part which has always supported the UDT), representatives from both movements held their first meetings with the Assembly of the Republic. At the moment, the climate is one of total understanding. [Text] [Lisbon EXPRESSO 22 Mar 86 p 24] 8844/9869

PERTI MAINTAINS PPP SUPPORT--President Suharto welcomed the decision of the PERTI ([Persatuan Tarbiyah Islamiyah] Islamic Education Union) 11th Congress of late December in Jakarta, which among other things adjusted PERTI statutes and bylaws relative to Pancesila as the sole foundation. "It is hoped the leadership and membership will increase participation in national development while implementing in a concrete manner the decisions of the congress," added the head of state when receiving the PERTI Central Executive Committee at the Bina Graha last Thursday (13 February). The delegation led by General Chairman Buya K. H. Rusli Abdul Wahid and First Chairman Drs H. Nurulhuda reported the congress results to the head of state. When asked about politics, PERTI chairman Nurhasan Ibnuhadjar stated that PERTI continues to back the United Development Party (PPP). "PERTI is one of the founders of the PPP, so that it would not be right to leave a house one built oneself," he added. Nevertheless, Nurhasan would reject it if PPP's stand were in conflict with the Social Organizations Law. Another chairman, Mohammad Buang S. H., firmly stated that PERTI members must constantly support the PPP. [Text] [Jakarta KOMPAS in Indonesian 14 Feb 86 p 12] 12836/13045

PT FAIRCHILD'S BANKRUPTCY EXPLAINED--Minister of Manpower Sudomo stated that mistakes in forecasting resulted in the bankruptcy of PT Fairchild Indonesia. Technological progress which occurred too rapidly outside of PT Fairchild Indonesia was difficult to predict, with the result that semiconductors produced by the company are no longer marketable. Sudomo stated that efficiency and increases in productivity are necessary steps which Indonesian companies must take. Otherwise, it is not impossible that many companies will go bankrupt and eventually there will be mass firings. Mistakes in predicting possible economic and technological conditions in the future can have fatal consequences for a company. This was stated by Sudomo at a press conference Monday (3 February) afternoon at the Department of Manpower. The minister made public the fact that the PT Fairchild Indonesia semiconductor company will halt production shortly. Currently, 457 of approximately 2,200 employees of PT Fairchild Indonesia have stated their readiness to take retraining courses to face the halt in production at the company. It is estimated that all production activities of PT Fairchild Indonesia will end this coming June. "Now they are still producing to fill previously agreed orders," said Sudomo. [Excerpt] [Jakarta KOMPAS in Indonesian 4 Feb 86 p 1] 12836/9604

CSO: 4213/108

'TALK' CITES U.S. IN BLAME FOR THAI DOMESTIC PROBLEMS

Vientiane PASASON in Lao 3 Feb 86 p 3

['Talk' Column by Saiboua]

[Excerpts] When the word "slum" is mentioned, Thais, particularly the well to do--or in short, the snobs in Bangkok--usually turn up their noses, because they consider slum people to be social outcasts. They think that slums are problem places that must be eliminated from the Bangkok social system and not allowed to linger because they are disgraceful.

We know that no one wishes to live in a slum and everyone wants a nice place to live. However, the policies of rightist reactionaries in Bangkok power circles of going along with the arms race policy of the American imperialists and international reactionaries and of creating tensions toward neighboring countries have made the Thai people poor and caused an economic crisis and other social problems for them.

It would not be difficult at all for the rightist reactionaries in Bangkok power circles to really solve the slum problem. They only need to build peace with neighboring countries, reduce their military budget, which has climbed billions of baht, and concentrate their wealth on developing the economy and building housing for the poor whom they call slum people. This would not only solve the problem in Bangkok, but it would solve problems in the entire country. But on the contrary, they are continuing to pour tremendous amounts of money into arms purchases and challenging neighboring countries. Whatever efforts they make to eliminate the slum problem not only will be unable to solve it, but will create additional problems that will mushroom all over the place.

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CSO: 4206/78

REPORTAGE ON ROUTE 9 CONSTRUCTION UNIT

Infrastructure Problems, USSR Aid

Vientiane PASASON in Lao 11 Feb 86 p 2

[Excerpt] The Center for Concrete Production or Concrete Production Unit 1 is under the command center for Route 9 construction. It has important duties in contributing to the construction of Route 9 to make it into a strategic national road that runs eastward of the LPDR to the sea.

Concrete Production Unit 1 for Route 9 construction is located at km 154 on Route 9 going eastward. There are 101 technicians and workers in this unit. There are five worker sections for medium and small wooden and steel bridge frame truss production; mixing heavy steel reinforced concrete; concrete gravel production; and working steel into different shapes and sizes for different bridge parts, such as trusses running width wise and lengthwise, heading and footings, pipes and machine parts.

This concrete production unit has encountered many difficulties since its formation; for example, developing workers from enlisted men into modern construction workers by on-the-job training is not easy. Learning and applying technology simultaneously is one of the problems for this unit. Each worker has to struggle to perform successfully. There are some Soviet technicians to help in technical areas but none of the workers can speak Russian. Consequently, both parties have to communicate and express their comprehension through their work. These are real problems, but the Route 9 Construction Unit Committee has been supervising the workers closely each day, as have their Soviet technocrat comrades.

These difficulties are now being overcome. Each worker has improved in experience by 70 percent and more. Many workers have become experienced and reliable technocrats.

These are the facts. In 1985, Concrete Production Unit 1 was able to produce 397,960 cubic meters of trusses, a total of 523.31 cubic meters of steel reinforced concrete, 172.250 cubic meters of steel reinforced concrete pipe, 233.23 cubic meters of concrete to build a new concrete production center, and 283.488 cubic meters of concrete for other construction units. In the first 6 months of 1985, this concrete production unit supplied materials for the construction of Houay Ngous Bridge, which is 36 m long and 9 m wide, with 1.5 m sidewalks on each side. In the last 6 months of 1985, Concrete Production Unit 1 supplied light weight steel reinforced concrete of various kinds for the following

medium size bridges on Route 9: the Houay Lai Bridge at Km 38, the Gna Peuat Bridge at Km 111, the Houay Khousa Bridge at km 132, Houay Ta Gneuang Bridge at km 155.5 and the Houay Pa Lo Bridge at km 155.

Unit Organization, Foreign Support

Vientiane PASASON in Lao 12 Feb 86 p 2

[Text] Bridge Construction Unit 2 of the Route 9 construction project was formed at the end of 1984. It consists of two crews of cadres, technocrats and workers. The first group is involved in large and medium size concrete bridge construction for the Route 9 Bridge Construction Company. These workers have worked in concrete bridge construction with comrades from other socialist countries; for example, they have worked on a steel reinforced concrete bridge in Se Champhone with technocrats from Bulgaria, on the Se Sangsoy Bridge with technicians from Hungary and on the Se Kong Kane Bridge with Czechoslovakian technicians. The second crew came from Bridge and Road Construction Unit 2, which was formerly part of the 923rd Command Construction Unit.

Bridge Construction Unit 2 currently consists of 66 cadres, technocrats and workers, including one high level technocrat and 8 middle level technocrats.

The specific and general duties of Bridge Construction Unit 2 are to build middle size steel reinforced concrete bridges and tubular spans. This unit also directly supervises and controls the use of machinery in production, a duty which the command center for Route 9 construction has delegated to it.

Each worker is successfully, ambitiously and aggressively performing his duty, namely, the work load that the Route 9 command center unit has delegated to him. Each worker has increased his sense of responsibility in his work and dedicated his efforts, intelligence, and abilities from building other bridges since the formation of Bridge Construction Unit 2. This has accomplished the work successfully and proudly.

This unit completed building 11 bridges with a total length of 189 m from the end of 1984 to the end of 1985. A steel reinforced concrete bridge 36 m long and 9 m wide was 100 percent completed over the Houay Ngua River.

They have also completed other tasks. For example, they have cleared 4,480 square meters of land for the construction of living quarters and cleared 9,000 square meters of land for road beds, and constructed 180 square meters of gravel roads.

The cadres and workers of Bridge Construction Unit 2 are currently working with Soviet technocrats, who are assisting in the technical area. They are concentrating their efforts and intelligence on building a middle size steel reinforced concrete bridge across the Gna Peut River to victoriously complete it as planned. This will contribute to the successful construction of Route 9, step by step, in accordance with the plans of the party and state.

Vehicle Repair Capacity, USSR Advisors

Vientiane PASASON in Lao 17 Feb 86 p 2

[Excerpts] The machinery repair garage for the Route 9 Construction Command Headquarters was set up in 1976. In the beginning, there were 3 major sections: transport, machinery repair, and worker driving and repair training, with a total 400 workers. There were many difficulties in the early part because of shortages of parts, a lack of experienced technicians and other factors.

But every worker has overcome such difficulties due to his ambition, self-instruction, and on-the-job training with the close interest of Construction Command Headquarters 923. The problems have cleared up, step by step, and every worker has performed successfully.

Comrade Khammoune Chanthavong, the unit's deputy chief, and Comrade Gneuang used the following statistics for the unit to also inform our reporter that there have been the units since 1982: a transport unit and schools for driving and repair. There are a total of 110 cadres and workers in the repair school, of which some are experienced technicians and a number have been in repair schools previously. The repair school is divided into four sections: production control, heavy machinery repair, light machinery repair and parts production, and welding and body repair. Its repair capabilities have increased tremendously and tools for repair are more complete. Each worker has become more experienced and Soviet experts assisting in the construction of Route 9 also have been transmitting their knowledge to our Lao workers as usual. Presently, 100 to 120 light vehicles and 30 to 35 heavy vehicles are repaired monthly and thousands of kinds of parts are produced monthly.

In 1985, 1,164 light vehicles were repaired, and 200 heavy vehicles and 4,800 parts were produced. Over the past 10 years, 5,640 heavy vehicles and 21,600 light vehicles have been repaired.

Paving, SRV Help in Bridge Construction

Vientiane PASASON in Lao 24 Feb 86 pp 1, 4

[Text] Under the 1986 annual plan for the Route 9 construction project, 86 km of the strategic route will have been completely paved and 9 small and medium-sized bridges and 23 feeder roads with a total length of 897 meters built.

The total distance of this strategic route from Keng Ka Bao seaport to Se Bang Hieng, Sepone District, is 200 km. To the present, 26 km have been paved by the technocrats and construction workers of the Route 9 Construction Command Headquarters with the assistance of technocrats and workers from the SRV's Construction Unit B 84 and of technocrats from the USSR.

Comrade Soumat Phomsena, director of Route 9 Construction Command Headquarters, explained that the Ministry of Transport and the Post Office has agreed to delegate the project and the responsibility for paving 26 km of Route 9 in 1986 to the Route 9 Construction Command Headquarters and for finishing 23 km

to the SRV's Construction Unit B 84. In addition, the Ministry also has delegated the construction of five medium-sized concrete bridges to the Route 9 Construction Command Headquarters and four medium-sized concrete bridges to the SRV's Construction Unit B 84. At present, Lao workers are constructing three of their five bridges and Vietnamese workers are constructing two of their four bridges for the project. The Route 9 Construction Command Headquarters has reorganized and improved its management to fit the actual situation. For example, it has solved the gravel supply problem for paving the road; improved and expanded the boiling of tar; fixed the crushers; and improved the paving, transport and concrete production units to respond adequately and successfully to necessary materials used in the paving and construction of the planned bridges.

Construction Command Upgrading

Vientiane PASASON in Lao 22 Feb 86 pp 2, 3

[Excerpt] Up to 1980, Construction Command Headquarters 923 has assisted in construction of Route 9 into a national road leading to the sea. It had the support of the central government's Route 9 Construction Co. and Irrigation System Companies 1 and 2, with technological, material and other aid from other socialist countries, such as the USSR, Vietnam, Bulgaria, Hungary and Czechoslovakia. Together they are responsible for the construction of 197 km of Route 9, with 5 large bridges, 27 small and medium-sized bridges and 127 drain pipes. The Council of Ministers has promulgated a measure about the construction of this strategic route to the sea that changes the plan from paving it with concrete to paving it with tar instead. This has been done so that it can be paved completely by the end of 1988 as planned and also be in line with new economic reforms and new management practices in accord with party and state policies. In addition, in 1984, the party and the state changed Construction Command Unit 923 into the current Route 9 Construction Command Headquarters to guarantee completion of the construction of Route 9 as planned.

The Route 9 Construction Command Headquarters is now stronger and growing in size. There are 21 working groups, of which 13 are production groups and 8 support groups. There are a total of 1,752 cadres and workers, of which 19 are high-level experts, 219 middle-level experts and 379 old and new workers.

Since the reorganization of the Route 9 Command Unit, each group has been directly involved in production and has competed in performing its duty creatively. Many groups have given outstanding performances, which are contributing to completing the construction of Route 9 on the projected date.

In addition to a shortage of high-level technicians, the Route 9 Command Unit also lacks some equipment. The decision of the party and state to form 21 groups from 4 groups is entirely correct because there are now sufficient numbers of high- and middle-level cadres and enough equipment. It also ensures steady growth in constructing and developing the country to step up to socialism.

12597/12228
CSO: 4206/85

MATERIALS CORPORATION CHIEF DISCUSSES PRICE VALUES, REFORMS

Vientiane PASASON in Lao 1 Feb 86 p 2

[Article under rubric of "Transform the Economic Management Mechanism," Interview with Comrade Sipasent, Deputy Director of Material-Technical Supply Corporation]

[Excerpts] I can say that the Council of Ministers' provisory regulations concerning state enterprises are very appropriate for the wishes of the peoples of all ethnic groups who wish to have a good life.

Our corporation was formed only at the end of 1983; it is only 2 years old. It is still a fairly new corporation and the management is still weak.

Our corporation performed fairly well in implementing its 1985 plan under the keen guidance of the party. In detail, it:

Supplied the market with 169 percent of the steel it did in 1984.

The supply of cement was 115 percent of that in 1984; 850 tons of cement worth almost 20 million kip were saved from losses to corruption.

Even though our corporation is an independent economic unit, it is still somewhat subsidized, which does not correspond with the new regulations. These subsidies are shown in many ways:

Inventory is still approximated and not based on real value, which results in losses for which the state budget must compensate if a solution is not found.

The second form of subsidy is that production machinery is not used to its full capacity because production is not based on economic considerations. This results in waste and increases the cost of production, so that the state's expenses increase.

The third form is that administrative employees cover 20 percent of the total number of workers, which is not in accordance with the new regulations. Certain things in the corporation must be changed and improved urgently and seriously.

In light of the new regulations, we along with the cadres, workers and state employees must exert our efforts and be prepared to change and follow the new regulations strictly and in detail, as follows:

Make a total effort to quickly and successfully eliminate the old, subsidized economic system, step by step, for the common social good.

Make a total effort to study and organize a new economic system based on actual economic conditions and profitability, step by step, in order to develop and constantly improve the socialist economic foundation in general, and specifically to improve the standard of living of the cadres, workers and state employees in our supply corporation.

12597/7051

CSO: 4206/78

FUEL SUPPLY CHIEF ON ECONOMIC REFORM IMPACT

Vientiane PASASON in Lao 4 Feb 86 p 2

[Article under rubric of "Transform the Economic Management Mechanism," Interview with Loui Sisoulat, Chief of Fuel Supply Corporation, Ministry of Material and Technical Supply]

[Text] We of the Fuel Supply Corporation fully agree with the Council of Ministers' Provisional Regulation 67/LPRD concerning state enterprises, which was promulgated 19 November 1985.

Our corporation has been successful and has strong points, but we still also have many weak points that need to be fixed, primarily, the collective ownership of the working class and the elimination of subsidies. These weak points are shown by certain features: the ownership of the workers has not been fully implemented, the regulations concerning economic valuation are not practiced completely, and planning is done only superficially, has not become the keystone of management and has not yet started being done at the grassroots level. The three interests of management: administration, economics and economic controls have not been implemented well or analyzed clearly. This has tended to lead to indecisiveness and waiting for orders from the higher level.

Because these weak and strong points and problems have lingered for 10 years, cadres, workers and state employees have joined hands to work competitively. The decision was taken to completely eliminate the old economic system and strive to turn it into a new reformed socialist system on 10 January 1986, the day when the 10 year summary report was given and the Second 5-Year Plan (1986-1990) was initiated. Some of the important works that must be concentrated on are:

Elevate knowledge about politics and management among cadres, workers and state employees, and develop the conditions to make the three mass organizations play leading roles in widely implementing collective ownership.

Improve management by making it lean but guarantee production quality primarily by reducing the number of middlemen, step by step.

Make planning the core of business control and relate it to economic conditions and requirements.

Economize and reduce waste, especially in corrupt leaks and shortages. Increase productivity and implement the plans of the party and state to or beyond expectations.

Combine the Three Interests

Tightly coordinate various local and international working units in order to achieve the two goals of the state, namely, guaranteed production volumes and the meeting of budgetary obligations.

12597/7051

CSO: 4206/78

VIENTIANE PROVINCE BANKING PROBLEMS, MONEY SUPPLY NOTED

Vientiane PASASON in Lao 13 Feb 86 p 2

/Excerpt/ Even though the Vientiane branch of the State Bank has experienced difficulties over the past years, particularly since Vientiane Province and Vientiane Municipality were separated 1982 in line with a Central Party Politburo agreement, due to destructive activities by the enemy, an under-developed economy and cadres' inexperience in business and finance, normal activity and gradual, firm and strong progress have taken place under the direct guidance of the Central Bank and close interest of the provincial party administrative committee.

Over the past 3 years from 1983 to 1985, the State Bank's Vientiane Province branch has made loans to different business units and agricultural cooperatives for developing basic enterprises so that they can produce and meet their short- and long-term loan agreements. These amounted to 1 billion kip, of which 35 million kip were used by industry, handicrafts and forestry, 19 million kip by agricultural cooperatives, 1 billion kip /as published/ in trade, and many millions of kip in the transport and post office area.

Vientiane Province now has a number of basic economic foundations because of these loans, especially in the area of agricultural production for a self-sufficient food supply. Trade has been expanded in the grassroots areas. These economic foundations are serving the working class. Industry, handicrafts and forestry, such as factories for woodworking, garments, and timber, reafforestation, and the Ban Bo salt farm are more and more able to produce and respond to social needs.

Comrade Somboun, assistant director the State Bank's Vientiane branch, suggested that over the past years, the State Bank's Vientiane Branch has been encouraging the general public in metropolitan and rural areas in the plains to be aware about banking and to deposit their savings in banks. He said that the savings lottery is very popular. Savings deposits total 1.3 million kip and savings lottery sales total 600,000 kip. All this is to promote production and change the standard of living for the peoples of all ethnic groups to respond to defense and security needs, to the need for a foundation in technology, and to other social needs; and to facilitate financial security and controlled prices.

12597/12228
CSO: 4206/85

ELECTRIFICATION REACHES SAVANNAKHET GYPSUM MINE

Vientiane PASASON in Lao 6 Feb 86 p 3

[Excerpts] The Savannakhet-Outhoumphone Gypsum Mine and Rural Area Electrification Project is one of the expansion projects for building up and promoting the use of electricity in construction and in the task of reforming agriculture into agricultural cooperatives around the province. It also responds to the needs for electricity for agricultural production, small provincial industries and local handicrafts.

The total length of power cable run from Savannakhet to the Outhoumphone Gypsum Mine was 82 km. This electrification project was divided into two sections. A total length of 36 km of 22 kilovolt transmission cable was installed over the first section, from Savannakhet to Outhoumphone, from 1981 to 1983. A total length of 46 km of cable was installed over the second section, from Outhoumphone to the gypsum mine and Dong Henh, starting in 1984. The primary purpose of the second cable extension was to boost the quality and quantity of gypsum mined, and to meet electricity needs for production and daily life in rural areas. The cadres and workers of the Savannakhet-Outhoumphone Gypsum Mine and Rural Electrification Project developed their sense of responsibility in doing this project.

Comrade Khammany Inthirath, deputy project director, informed us that there were only 40 people in the project, but they have worked hard together and cut trees to clear the way for the cable at every location. These workers were assisted in every locale since 28 November 1985 by enthusiastic local people, primarily LPRYU members, in transmitting electricity to the gypsum mine and the Dong Henh area. Their work was dedicated to the 10th national anniversary of 2 December.

Comrade Sikarn Insixiengmal, project chief, explained that transmission and construction was done simultaneously for the second part of the project. The running of 46 km of medium power 22 Kilovolt transmission cable was completed, the power station fenced in, a warehouse built and distributors installed at various points, such as the gypsum mine, Dong Henh and Dong Kilo. Low power 0.4 kilovolt distributor lines were built, 10 sets of street lights installed, 616 concrete poles built and 171,900 m of electric cable used.

This project has now been completed, thanks to the endurance and struggle of the cadres and workers and the close interest and cooperation of local administration people who contributed their wealth and efforts to its construction.

THAI MONK LAUDS BUDDHISM IN NEW REGIME

Vientiane PASASÓN in Lao 17 Feb 86 p 2

/Text/ During his participation in the Seventh General Conference of Asian Buddhists for Peace, which was held in Vientiane Capital during 12-14 February 1986, his Holiness Phalachanan Thammunee or Phala Nanthanunee, AKA Phra Phanya Nantha, the abbot of Chonprathan Rangsarit Temple in Nonthaburi Province and head of the delegation of Buddhists from Thailand, was interviewed by a reporter from Lao National Radio the morning of 13 February. The essence of this interview follows.

"Lao people are gentle, not cruel. Even though the ruling system has changed, their state of mind and temperament are still the same; they have not changed to monsters or evil persons. The Lao people have not become cruel or a threat to monks at all. I have heard propaganda that when communism comes, religion will be eliminated. Another thing: people who have fled to Thailand, France, America, Australia and other places have also said that there is no religion in Laos, that monks have been demanded to leave the monkhood. These are just rumors. I hear these all the time, but I have not been deceived. I just listen with one ear because I have not seen this with my own eyes. Actually, I have wanted to visit Laos, but I never had the chance. In the old times, I used to come here often. I have come and preached in Vientiane and Savannakhet many times, but when the regime changed, I was told that communism does not like religion so I have hesitated all this time. However, I did not believe that.... However, when I arrived in Vientiane, I saw some aspects of the situation because I have been here only a short time. However, I firmly believe that the temples are still in good condition. I went to Wat Ong Tu Temple, and met people whom I had known before and we said hello. They told me that they are doing fine, that the temple is in good shape and in order. Many monks and people came and welcomed me joyfully.

Next morning I went to Wat Kao Yod. I went in and I saw monks getting ready to go out for the morning offering. I went with them and saw three or four people come and give their offerings near the stupa, so I learned that monks are still respected.

At the end, His Holiness Phala Nanthanunee talked about certain changes to the real Buddhism. In his opinion, things that have deteriorated should be changed, such as superstition, spirit worship, tree worship, and earth worship. He said

that Laos has more correct beliefs and that the Buddhist commandments are followed better here. Everything has improved, so that beliefs have been changed for the better. He gave his blessing to the things that he had found out.

His Holiness Phala Nanthanunee expressed his opinion about the Seventh General Conference of Asian Buddhists for Peace, saying that it is a good thing, that it is for progress. He said that Buddhists around the world had made this appointment to meet for peace, and that they are hoping that this conference will alert the world's conscience that peace is something to develop, that it is not only something on paper. He said that everyone must develop peace with words and actions, and that actions that lead and suggest to other people to talk about and act on things that lead to peace among the world's populace are blessed...."

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CSO: 4206/85

BRIEFS

MILITARY RECRUITMENT--Nobody can forget the competitiveness and solidarity of young Lao revolutionaries in the victorious national defense and socialist development of our nation. The popular and enthusiastic return to the grass-roots level has given a new role and correct understanding to young people. It has given them outstanding performances in many areas. It has been a year in which young Lao men have been an important force in destroying the schemes and the filthy actions of the enemy. In addition, thousands of young men have also volunteered to join guerrilla militias, national military service and local military service. The most outstanding have been the young men of Savannakhet, Sayabouri, Champassak and Oudomxai Provinces, Vientiane Municipality, and Luang Prabang and Phongsaly Provinces. These initial victories all show the growth, evolution and progress of young Lao men in national defense and national development. Nevertheless, these performances surely cannot completely meet the ever growing needs of the country. [Vientiane PASASON in Lao 4 Feb 86 p 2] 12597/701

TEXTILE PRODUCTION, WAGES IN OUDOMSAI--We arrived at Mouang Sai District, the main district of Oudomsai Province, in the afternoon of 14 January 1986, then went to visit a provincial textile plant. This plant is well managed and produces a lot of good quality and popular textiles. From a detailed and long explanation by Comrade Bounlieng Samphansai, the plant director, I learned about the progress that this plant's 1985 performance displayed. Although the workers worked for only 11 months, they produced 80,445 m of fabrics, which is 573 m more than planned. This is the first year that they have been able to produce a large variety and quantity of fabrics to serve society. This performance is the fruit of economic reforms. The new economic system seeks to increase the productivity and wages of each worker. The average worker's salary ranged from a minimum 3,200 kip to a maximum 4,500 kip. Under the new economic system established by the party and state, the plant will strive to produce a new and very high projected 53,832 m of fabrics for the first period; the workers are working hard to meet this quota. [Excerpt] [Vientiane PASASON in Lao 11 Feb 86 p 2] 12597/7051

UDOMSAI MILITARY RECRUITMENT--During the first period of the First 5-Year State Plan, LPRYU members and mass youth organizations around Oudomsai have alertly and willingly contributed to national defense, national development and socialist development. LPRYU members have taken charge of many tasks and succeeded on their own. 800 aware young men have joined the military service and security service. In addition, LPRYU members have also organized themselves to join the guerrilla militias that patrol their communities. [Excerpt] [Vientiane PASASON in Lao 8 Feb 86 p 2] 12597/7051

SAVANNAKHET BANK DEPOSITS--(KPL) Cadres, workers, state employees, soldiers, police, and people of all ethnic groups in Sepone District, Savannakhet Province, recently deposited 145,000 kip with the district branch of the State Bank. [Excerpt] [Vientiane PASASON in Lao 11 Feb 86 p 1] 12597/7051

POWDERED COFFEE PRODUCTION--From the beginning of January to the end of December of 1985, the cadres and workers of the Powdered Coffee Factory under the Industry, Handicrafts and Forestry Division of Vientiane Municipality have produced 20,000 kilograms of powdered coffee. [Excerpts] [Vientiane VIENTIANE MAI in Lao 13 Feb 86 pp 1, 4] 12597/7051

GARMENT FACTORY WAGES, PRODUCTION--After the full liberation of the country, the garment division was formed into provincial garment enterprises because of the importance and need at Keo Oudomsai for a garment factory for providing tailoring services to cadres, the military and the public. It has a total of 80 workers, of which 67 are females, with a total of 30 sewing machines. The factory is divided into two parts, for casual and formal garments and for uniforms for cadres. In 1985, we were able to make 11,678 shirts, pants and blankets, which is 855 pieces more than projected, with a total value of 5 million kip. The factory was changed from a subsidized enterprise to a self-reliant one in 1983. Workers' salaries are adjusted in relation to the enterprise's final fruits of production. In reality, this enterprise has made some profits, production is more diversified, and the standard of living for its cadres and workers is getting better. The average minimum monthly salary for a worker is 2,000 kip and the maximum is 4,000 kip. The 1986 plan calls for the factory to produce 14,000 garments. [Excerpts] [Vientiane PASASON in Lao 15 Feb 86 p 2] 12597/12228

FURTHER BANK DEPOSIT--Last January, the cadres, military and general public of Savannakhet Province brought a total of 503,860 kip to deposit with the State Bank's Savannakhet branch. Cadres of different provincial sections deposited 317,300 kip, people from Sepone 45,000 kip, people from Mouang Phin District 44,900 kip and Khanthaburi people 33,600 kip. [Text] [Vientiane PASASON in Lao 26 Feb 86 pp 1, 3] 12597/12228

CSO: 4206/85

SARAWAK LUMBER MISSION TO VISIT CHINA

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 29 Mar 86 p 12

[Text] Datuk Paul Leong Khee Seong, minister of primary industries, disclosed that a lumber mission, to be led by the Sarawak chief minister, will visit China toward the end of June to negotiate about the problem of joint ventures in lumber business.

Datuk Paul said that according to plan, Malaysia will export paulownia lumber to China where they will undergo some processing.

He indicated that our lumber industry can be developed in this manner.

Datuk Paul Leong is deputy president of the Malaysian People's Movement [GERAKAN]. He made the remarks above while receiving some delegates of the GERAHA and the local populace in Trengganu in a dialogue today.

He said that at present export of paulownia lumber from western Malaysian peninsula is restricted, but not from Sabah and Sarawak in eastern Malaysia. The envisioned joint venture plan with PRC should bring benefit to the entire Malaysian nation.

He said that at present world demand for lumber is still far from ideal, but he believes that European countries will buy more lumber this year, turning the situation for the better.

He said that we should not put too much emphasis on Japan, Korea, and Taiwan to market our lumber. We should find ways to make China import more paulownia lumber from us.

Datuk Paul Leong pointed out that China is at present carrying out her modernizations program and that she will need large quantities of lumber to build more houses. Consequently, her demand for paulownia lumber will definitely increase considerably.

He believes that the lumber team to China under the leadership of the chief minister of Sarawak carries an important mission.

9300/12228
CSO: 4205/16

REVOCATION OF PROPOSED SECRETS ACT AMENDMENTS URGED

Selangor KIN KWOK DAILY NEWS in Chinese 26 Mar 86 p 3

[Text] Tee Ann Chuan, president of the Malaysian Chinese Youth Federation, today called on the government to revoke forthwith the proposed Official Secrets Act (1972) amendments which are having their third reading before Parliament, in order to avert a further clamping of freedom of the press and information.

He said that according to the proposed amendments, offenders will no longer be fined but compelled to go to jail at least 1 year but not more than 14 years. "This punishment is too harsh," Tee said.

"In addition, this amendment bill is too vague, and certain terms, such as 'official' and 'secrets' need to be fully clarified, otherwise the public would not be able to discern which is which. In such a case, it would be easy for a government official to abuse his authority.

"If this bill is passed by Parliament, the people will to a certain degree feel its impact and influence on their day-to-day living, particularly newspaper people whose job is to gather and disseminate news and information. They may inadvertently violate this Official Secrets Act and be thrown into jail."

Mr Tee believes that it is not necessary for the government to amend this act, because more than 10 other laws are in operation playing supervisory roles, such as the Incitement Law, Libel Law, Contempt of Court Law, Internal Security Act, Printing and Publishing Act, etc.

Therefore, the Malaysian Chinese Youth Federation urged the government to listen to public opinion and revoke this amendment bill forthwith.

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BRIEFS

CHINESE WARNED ABOUT PAS--The deputy minister of internal affairs, Datuk Radzi Ahmad, said that the government will not ban the Islamic Party [PAS], no matter whether or not the conduct of some leaders of this party threatens national security and stability. He said the government believes that there is nothing wrong with PAS itself, except that some of its leaders are creating a threat to the state. The deputy internal affairs minister was speaking before some 200 people at an MCA Youth Forum on "The Cause and Effect of the Bloody Memali Incident." Among those present were Chee Eng Hui, leader of MCA Youth Wing; Wee Chiu Kwee, general secretary; and Teng Yuk Heng, chairperson of MCA Women's Group. Datuk Radzi Ahmad said: "We have no plan to adopt measures to deal with the dangerous elements of the Islamic Party, at least not for the present." He reminded Chinese society not to be hoodwinked by the Islamic Party. In his opinion, the PAS is wooing the Chinese community merely to gain support from the latter in the coming general election. [Text]
[Selangor SIN CHEW JIT POH MALAYSIA in Chinese 29 Mar 86 p 4/ 9300/12228]

SARAWAK TRADE MISSION TO PRC--Sarawak will send its first trade delegation to the People's Republic of China [PRC] next month with the view to seeking a new market and holding direct trade talks with Chinese firms. The delegation, to be led by Deputy Chief Minister Tan Sri Datuk Amar Sim Khen Hong, will comprise 60 members. It will leave Kuching for Beijing on 27 April. Among the members are Datuk Haji Noor bin Tahir, minister of environment and tourism, several senior government officials and some members of the Sarawak Bumiputra and Chinese chambers of commerce. The trip is being jointly arranged by the Sarawak Economic Development Bureau, Sarawak Bumiputra Chamber of Commerce and Sarawak Chinese Chamber of Commerce. During its 15-day stay in China, the delegation will visit a number of cities, including Shanghai, Tianjin, Hanzhou, and Guangzhou. A spokesman for the Sarawak Economic Development Bureau said that the trade mission will also seek investment opportunities and look into the possibility of setting up joint ventures, as well as joint navigation services for direct traffic between Sarawak and China. [Text]
[Selangor SIN CHEW JIT POH MALAYSIA in Chinese 27 Mar 86 p 1/ 9300/12228]

CSO: 4205/16

ASEAN CHIEFS INVITE PRIME MINISTER TO MANILA MEETING

Auckland THE NEW ZEALAND HERALD in English 7 Apr 86 p 5

[Text]

The Prime Minister, Mr Lange, will attend a meeting of Asean leaders in Manila at the end of June after they have held their summit meeting.

The significance of the meeting was emphasised by the Prime Minister of Singapore, Mr Lee Kuan Yew, during talks with Mr Lange in Rotorua at the weekend.

The summit meeting will be hosted by the President of the Philippines, Mrs Aquino.

It is understood that Mr Lange is likely to be overseas for about a week, attending the meeting in Manila and possibly visiting Thailand.

Mr Lee said the "fortuitous" change in leadership in the Philippines had altered the significance of the Asean summit.

Pressure

It was important for the Asean nations to get together to work out a strategy to fight the increasing protectionist moves in the United States, the European Community and Japan.

"Then we have to decide how we can improve economic activity between ourselves and if we have another Asean summit, which is long overdue, that will put certain pressure on officials to come up with something positive," said Mr Lee.

The last Asean leaders' summit meeting had been held nine years ago.

Mr Lee said that before the change of government in the Philippines it had been assumed that the meeting planned for Manila would be brief and involve mainly social matters.

"We did not expect serious work because the last president [deposed President Marcos] was not in a robust condition," he said.

Bloodshed

But the "odds are that the new president will be robust enough to take charge of proceedings."

Mr Lee said there was no doubt there would have been "bloodshed and chaos" if President Marcos had not stood down.

"Here, by almost the grace of God, or his appointed shepherd, in the Philippines a miracle has taken place," he said, referring to the key role Cardinal Sin played in the change of administration.

Mr Lee said the Philippines was now united, and even the communists were impressed by the solidarity and support for President Aquino.

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CSO: 4200/1035

EDITORIAL: SINGAPORE'S LEE VISIT COMPLIMENTS WELLINGTON

Auckland THE NEW ZEALAND HERALD in English 7 Apr 86 p 6

[Editorial: "NZ Flag Flies in Asia"]

[Text]

Mr Lee Kuan Yew's mixing of business with relaxation on his visit to New Zealand shows something of the easy relationship that exists between Singapore and Wellington. That an Asian leader of Mr Lee's stature can look upon New Zealanders as friends to drop in on is both a compliment to this country and a demonstration of the success of a foreign policy that for a number of years now has striven to project New Zealand throughout South-east Asia.

Trade has, of course, been one powerful motive. But it has not been the only one. Geography makes South-east Asia — indeed, East Asia — a near neighbour. Changes in world trading patterns and in political and defensive alliances have considerably emphasised our isolation from the parts of the world whence European New Zealanders originated and have made it more desirable than ever that our near neighbours should be our friends — and our trading partners, too, when and where that can be arranged.

Mr Lange's recent visit to Indonesia, China and the Philippines fitted such a context. In particular, Indonesia, with 165 million people, and China, with more than one billion, will each play a bigger part in New Zealand's future than any European country is likely to do. We can ignore them now, when their influence upon us is still relatively modest, and take our chances with them later when their influence is so great that it cannot be ignored, or we can establish a friendly working relationship with each of them now and watch it develop as each of those countries develops.

Having accepted the wisdom of the latter course, New Zealand must properly introduce itself to those countries and render whatever help it can in their development. Although an element of humanitarianism colours this approach, there is also hard, commercial reality about it; for a country that has offered even modest assistance when it has been needed is more likely to be remembered when big busi-

ness deals are in the offing than one that was inconspicuous when the times were tougher.

Mr Lange's tour raised the New Zealand flag in Indonesia, China and the Philippines probably higher than it has ever been raised before, and in each of those countries the reception accorded him suggested that the New Zealand gesture, and the New Zealand links it reinforced, were highly valued. But this is only the beginning of the exercise. New Zealand businessmen must now become as keen to keep the flag flying in those countries as are officials and diplomats. And exchanges of visits by people at all levels should become so frequent as to be more or less routine. The more Asian leaders who drop in on us, as Mr Lee has done, the better.

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LANGE'S 'SENSITIVITY TO DELICATE SITUATIONS' VIEWED

Auckland THE NEW ZEALAND HERALD in English 19 Apr 86 p 6

[Editorial: "Rising Heat in the Kitchen"]

[Text]

A thick skin may be an admirable human quality, or it may not. It is, however, generally considered to be an essential attribute for any politician who wishes to spend his nights in more or less peaceful repose.

The Prime Minister does not appear to have a thick skin. While waiting this week to open an agricultural centre at Invermay, near Dunedin, he had to endure a stinging attack on the Government by the president of the Otago Federated Farmers.

When Mr Lange's turn to speak came, he simply opened the centre and sat down.

Later, as he left the scene, angry farmers mobbed his car

and tore a flag off the bonnet. Yesterday, believing that a further protest rally could only heighten tension, he called off a meeting with farmers at Kaikohe and sent an agricultural adviser instead.

Mr Lange's sensitivity to delicate situations could be considered an engaging personal characteristic, the sign of someone perhaps a cut above the run-of-the-mill politician.

But in February, in Auckland, a demonstrator threw an egg at the Queen, spattering her dress, and she carried on with her job as though nothing had happened. No one could say her skin was thick.

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CSO: 4200/1035

DAILY VIEWS RETURN OF FORMER PRIME MINISTER TO PROMINENCE

Auckland THE NEW ZEALAND HERALD in English 5 Apr 86 p 6

["Politics" column by Mike Munro: "Sir Robert Bound To Rise in Opposition Ranks"]

[Text]

**Loved and disliked in the extreme,
he is the most irrepressible figure on
the New Zealand political stage.**

And the Opposition's new helmsman, Mr Jim Bolger, knows he cannot leave him languishing in the background.

That the man in question, Sir Robert Muldoon, is set to be elevated to a more prominent slot in the National Party caucus, is virtually a certainty.

As Mr Bolger puts the finishing touches to his line-up of spokesmen this weekend, he will clearly have positioned Sir Robert for a "blowtorch" role in the House, where he can aim at weak ministers.

It is the future of Sir Robert on which most attention focuses as the embattled Opposition faces its third major reshuffle of responsibilities in just over 16 months.

For some are saying the success or otherwise of Mr Bolger's leadership rests on how he handles the man who proved the nemesis of Mr Bolger's predecessor, Mr McLay.

**Unrivalled
Ability**

There is no question that the depth of public support Sir Robert commands is still considerable.

His unrivalled ability to strike a chord with the "ordinary bloke," his mastery of the common touch, was again illustrated when he spoke at a rally in the Hutt Valley this week organised by the National Party ginger group, the Sunday Club.

Weighing in to the Government's economic record in plain, effective language, he had the crowd applauding warmly.

A true patriot and a man of the people, the long-serving Mayor of Lower Hutt, Sir John Kennedy-Good, called him — sentiments that the crowd lapped up.

Sir Robert himself told a Tamaki audience a fortnight ago that he had been the best Leader of the Opposition the country had seen. Many would agree.

But for the thousands of Muldoon loyalists who pine for their idol, there is a sizeable body in the National Party reluctant to see Sir Robert rehabilitated.

It is a body which sees the Muldoon era as having ended in 1984 and now welcomes moves to distance the party from the interventionist economic stance adopted under Sir Robert.

Such is the fix Mr Bolger is in.

To bring Sir Robert forward from his 38th-ranked seat in the National benches will alienate some in the party.

But, clearly, failure to bring the former Prime Minister forward will alienate even more.

Sources say Mr Bolger is probably mulling over the options of either the ninth or 10th-ranked seats, or a position in the middle of the second row next to the senior Opposition whip, Mr Don McKinnon, for Sir Robert.

Sent No 9 or 10 would put him in Parliament's cross-benches and make him part of an extended front bench, if Mr Bolger is to follow the concept adopted by Mr McLay.

From there Sir Robert could perform the role of National's hitman. He would lead the attack on Government follies.

As far as a spokesman-ship is concerned, Sir Robert may be competing with Mr McLay to pick up the foreign affairs responsibility that the Hon Warren Cooper looks likely to relinquish.

Should it go to Sir Robert, Mr McLay is expected to regain the justice responsibility from Mr Paul East.

Competing Claims

In putting his stamp on the team he was put in charge of 10 days ago, Mr Bolger will be seeking to avoid the costly mistakes Mr McLay made. Whatever he decides he is bound to upset some.

Mr Bolger himself readily concedes there is much overlapping expertise in the caucus, giving rise to competing claims for a limited number of key shadow portfolios.

He must also be conscious of the efforts that won him the leadership and be careful not to alienate key supporters.

In his reshuffle of February 10, Mr McLay sowed the seeds of his own downfall by the insensitive placement of three experienced colleagues who until then had been prepared to back his stewardship.

Those to suffer humiliating demotions from the front bench were the Hon Bill Birch, down from third to 12th rank, the Hon George Gair, who slipped from four to 11 and the Hon John Falloon, down from seven to 10.

National MPs realise that, in the words of Sir Robert, it is time for the caucus to "get its act together." Unity is now of paramount importance.

There is a little over 17 months at the most to the next election and Mr Bolger must come up with a cogent, effective team to set its sights on that 1987 poll.

"Caucus will know it is the last chance we've got ... this is the 11th hour stuff," one Opposition MP said this week.

So while the party is divided over Sir Robert's promotion, nobody doubts his debating skills and keen political instincts.

After all, Mr Bolger has said he will be using experience and utilising all of his team's talents.

Spectacular Elevation

It is clear that Mr Birch and Mr Gair, architects of the successful Easter leadership coup, will also be brought back into the front line.

Mr Gair is widely favoured to head a finance triumvirate of himself, Mr Falloon and the current finance spokesman, Mr Michael Cox.

Despite his loyalty to Mr McLay, it is understood Mr Bolger will be loath to dump Mr Cox from the front bench, to which he was spectacularly elevated eight weeks ago.

So, too, could Ruth Richardson be a beneficiary of Mr Bolger's desire to avoid a vindictive shake-out.

She has been a loyal McLayite, who, like Mr Cox, won rapid promotion to the front bench just two months back.

She was the first woman in more than a quarter of a century to make it there and it would do much for the party's image for her to be retained.

But, in spite of that, Ruth Richardson has proved to be an articulate, hard-working member.

To make way for Mr Gair and Mr Birch into the top eight, casualties will be Mr Ian McLean, the trade and industry spokesman, and Mr Doug Kidd; defence.

And Mr Falloon may remain in the cross-benches, possibly alongside his old boss in the finance portfolio in the Muldoon Government, Sir Robert himself.

TRADE MINISTER ON NEW STRATEGIES, FLEXIBILITY

Auckland THE NEW ZEALAND HERALD in English 16 Apr 86 p 6

["Excerpts" from a "recent" speech by Michael Moore, minister of overseas trade and marketing, date and place not given]

[Text]

I have studied this country's problem — and I have found the problem ... it is us!

The enemy is ourselves. You can see it in the cargo-cult mentality of some New Zealanders in business, in the unions and on the land — people who fail to accept responsibility for their actions.

They blame the Government, blame the unions, blame the farmers — and blame the world.

But we cannot blame the world for our problems. The New Zealand psyche needs rewiring.

The experience of British Leyland proves that when you lose market share, you give your competitor your market and then lose jobs plus profit.

Threatened By New Ideas

We cannot go on giving handouts to people to produce what the world does not want. That road leads nowhere but down.

Let us break out of this cul-de-sac. Our problem is not that we lack the resources, the energy and the potential to build a

greater country; it is the negative people who stand in the way of those with ideas.

There is a system in New Zealand to knock, to stop and put down. It is a natural inclination to find a new idea threatening. But I pledged myself this year to bash the obstacles to exports.

New Zealanders must start asking "why not?" instead of "why should we?"

George Bernard Shaw said reasonable people do not make changes. Thus all human progress is based on unreasonable people, on the champions of ideas.

The person who does not make waves represents the kiss of death, and nostalgia for inaction and comfort of the economic ice-age policies of the seventies.

Townsend, in his book *Further Up the Organisation*, says it is a poor bureaucrat who cannot stall a good idea long enough for its author to wish it dead and buried.

There are some in New Zealand who actively pursue that mentality and bureaucrats do not exist only in Government departments but some of our tired institutions. We need to bury the whingers, the blockers and the primitives.

We are the lucky country. We need to count our blessings. We do not need to think big — but to think smarter.

Some laughed when I suggested that the meat we send abroad should go as a hamburger not a carcass.

But yesterday's joke is today's cliché and tomorrow's

row's fact. Hamburgers are now on the shelves in 22 Singapore supermarkets, and 27 in Malaysia, are being test-marketed right now in Indonesia, being gulped by Australians and even travellers on the Cook Strait ferries.

They are returning five times more a kilogram than the frozen carcasses we have been exporting for generations.

I remember another politician calling me "Chutney Moore" for praising a Levin man who found how to earn 10 times more from an onion.

Big Growth In Goats

While some pine for the past to pump sheepmeat into markets where mountains of it are already unsold, others in this country brought in \$100 million worth of goat stock last year.

In 48 months they will be exporting goat meat and fibre worth \$100 million a year.

The real economic cowards in this country are those who mock and block the brave folk with ideas, who frustrate those who

can seize opportunities for us.

When a hamburger can start a new factory in Nelson, and a bright idea can export a previously failing food processing plant in Tauranga, I say why not?

I want to see a time when every fish caught in New Zealand waters is caught by a New Zealander. That represents the soundly based "New Zealandisation" of our resources.

I want a country in which those who pursue excellence are set free, and I want to see New Zealanders pull together to do it.

Already, we have assembled some of the finest minds in New Zealand to bring down an obstacles-bashing package.

The new Market Development Board is working hard on it now. We are also putting together the first global marketing strategy this country has had.

We will be pulled together to take on the world. Within a matter of months, not years, we shall see the New Zealand co-operative strategy fully

unleashed.

It is already starting with our single biggest co-ordinated market assault outside the European Community to capture the America's Cup and the billions that will come home with it.

Our strategy will find markets, niches in markets, and punch our companies into them, not as competitors, but as New Zealanders.

It has never been done before. But our competitors are not ourselves. They are the rest of the world.

Is it not time New Zealanders stopped concentrating on the negative and emphasised the positive?

No one idea is more important than another; no one export industry is more important than another; no one export dollar is more important than another.

They are all important and the sooner we batter down the economic primitives, the greater our country will be.

The future looks bright for the willing and the flexible.

UPCOMING PACIFIC TRADE UNION FORUM PREVIEWED

Auckland NEW ZEALAND TRIBUNE in English 21 Apr 86 p 12

[Article by Peter Purdue: "Pacific Trade Union Forum--A Shield Against Nuclear Disaster"]

[Text]

THE Trade Union Forum to be held in Auckland on May 18, 19 and 20, will discuss the problems facing trade unionists in the various areas of the Pacific. Australia, Belau, Fiji, Guam, Hawaii, Japan, Kiribati, New Caledonia, Papua New Guinea, the Solomons, Vanuatu and Western Samoa will all have delegates at this conference.

One of the major concerns of the Pacific people is the nuclear testing and dumping of nuclear wastes and the storing of nuclear weapons in the Pacific—there are as many as there are in Europe.

Nuclear bombs have been dropped on the cities of Pacific countries and testing of nuclear weapons has been carried out by the British, French and the US, separately and jointly, over the whole South Pacific area, including Australia, which is still radioactive (in Maralinga). The British are now refusing to pay for the clean-up.

The South Pacific Trade Union Forum will be an important trade union contribution to the UN Year of Peace—a crucial year for the survival of our world.

However, the US aggression against Libya, the bombing of Tripoli and Benghazi, does not contribute to the UN 1986 Year of Peace. In fact, it does the exact opposite by edging the world towards total nuclear disaster.

It must be remembered that the US 6th Fleet, a part of which was sent to bomb Libya, is nuclear armed.

The US has tried for many months to provoke Gaddafi into reacting to its provocation with the US Fleet exercises in the Gulf of Sidra, and when this failed the new terrorist story was trotted out.

So why this attack on a small nation by one of the most powerful nations on earth? Is it like the provocation of the Korean airliner—to draw people's attention away from the US putting nuclear missiles into Europe? Could the answer be that the Soviet proposals for the UN 1986 Year of Peace are so explicit and so concrete that the US cannot refute

them and, therefore, must create diversions and tensions to cover up its own aggressive aims and its failure to respond to the proposals?

How can the Soviet proposals that the US and the Soviet Union halt all nuclear testing forthwith be refuted?

How can they refute the proposals to reduce by one half, in the next five to eight years, all nuclear weapons of the US and the Soviet Union, or the proposals that the US and the USSR eliminate medium-range missiles and all ballistic and cruise missiles from Europe—or that the US and the USSR work for the total elimination of nuclear weapons from our earth by the year 2000?

The Soviets have shown good faith by halting all testing since August 1985, and are still holding off further testing now. The US however, is continuing nuclear testing in the Nevada Desert spite of protests in its own country.

This, to my mind, is part of the reason for the barbaric bombing of the Libyan cities. The Pacific Trade Union Forum and similar such international forums which place peace high on their agendas are a shield against a nuclear disaster. ■

Peter Purdue is a semi-retired leading trade union activist and peace worker

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CSO: 4200/1035

TRADE MINISTER ON SUCCESS OF CER AGREEMENT

Auckland THE NEW ZEALAND HERALD in English 24 Apr 86 p 13

[Text]

The successful trans-tasman Closer Economic Relations agreement is likely to continue breaking down trade barriers this year, in spite of opposition in Australia.

A further step in the dismantling of trade barriers between Australia and New Zealand is almost certain to proceed later this year, even though some industries in Australia are opposed to it.

Under the agreement tariffs between the two countries will be phased out by 1988, while staged reductions are also under way for performance-based export incentives.

But there are suggestions that some industries in Australia want the programme deferred, because of the success of some New Zealand exporters who have performed well under the more open trading relationship.

The Minister of Overseas Trade, Mr Moore, said there would be occasional

"emotional blips" as one or two industries in each country objected to the arrangements.

But he said the staged reductions in barriers between the two countries were "on track."

"If anything, we need to expand it to include transport and other types of industries rather than contract it," he said.

While there were always concerns, there had been no indication in recent talks with Australian ministers that they wanted the timetable slowed down.

"The truth for Australia is that exports to New Zealand have grown at a faster pace than exports to any other place," said Mr Moore.

"We are still Australia's largest market for manufactured goods and they are ours."

Mr Moore said there were regular talks between New Zealand ministers and their Australian counterparts on the future of the arrangements.

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CSO: 4200/1035

NEWLY PRIVATE AGENCIES TO START IN DEBT

Auckland THE NEW ZEALAND HERALD in English 3 Apr 86 p 1

[Text]

State agencies to be hived off as corporations under new Government policy will be required to take over part of the public debt.

A Treasury official, Mr Tom Berthold, confirmed yesterday that even where the agencies had not borrowed in their own names before, they would not be allowed to start life as corporations debt-free.

Instead, because the Government had borrowed on their behalf in the past, agencies such as the new Forestry Corporation would have to take over an appropriate part of the Government debt.

"To start it [the Forestry Corporation] with 100 per cent equity would give it an artificial competitive advantage," Mr Berthold said.

Forestry

"For it not to have that advantage, it would have to start with a debt-equity ratio similar to the private sector."

In forestry, Reserve Bank statistics show that the private sector has an average equity ratio of only 42.4 per cent, with the remaining 57.6 per cent of its assets financed by debt.

If the same ratio is applied to the assets of the new Forestry Corporation, valued by the Minister of Finance, Mr Douglas, last week at "more than \$3 billion," then the corporation will start life with Government debt of \$1.7 billion.

Total Government debt at March 31 last year was \$28.2 billion.

Already Borrowing

Other agencies which are also likely to take over part of that debt when they are re-formed as corporations include the new Land Development and Management Corporation.

However, agencies such as the Post Office and the new corporations being carved out of the Ministry of Energy may avoid that fate, because they have already been borrowing on their own behalf.

A Wellington money market dealer said last night that managers from several state organisations had already contacted him this week to seek advice on how they could refinance in the private money market.

He said many were likely to have to eventually borrow overseas, possibly in the Eurokiwi market.

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CSO: 4200/1035

DAIHATSU SCRAPS \$10 MILLION PLANT PLAN

Auckland THE NEW ZEALAND HERALD in English 7 Apr 86 p 1

[Text]

As the Government's restructuring plan for the car industry continues to bite, Daihatsu New Zealand Ltd has confirmed that it has dropped plans for a \$10 million assembly plant at Te Awamutu.

Instead the company has awarded a contract to the New Zealand Motor Corporation Ltd to assemble 1,200 to 1,500 three-door and five-door hatchback Daihatsu Charades a year at the NZMC Panmure plant.

Charades are now assembled by Mazda New Zealand Ltd at its Otahuhu plant. But Mazda has decided it wants exclusive use of that plant from mid-year to tie in with its own assembly reorganisation.

Daihatsu spent \$750,000 developing the site for its Te Awamutu plant, which

was to come into use at the start of 1987, creating 120 jobs.

But in December the company decided to defer plans until the effects of long-term Government policy became clear.

Now the Daihatsu managing director, Mr Murray Hart, has announced that the plant is not proceeding because of "significant structural changes taking place in the vehicle market."

However, the Motor Corporation assembly general manager, Mr Malcolm Smith, said he was delighted his company had won the Daihatsu contract because it would allow the Panmure plant, which at present assembles Honda Civics, to run with higher efficiency.

The Daihatsu decision is the fourth important motor industry move announced since December.

In late December Nissan closed its van and utility assembly plant at Otahuhu after nine years, transferring van assembly to the company's Wiri plant and contracting with General Motors at Trentham to assemble its utilities.

At the beginning of February the industry leader, Ford, said it would close its Hutt Valley plant and spend \$45 million expanding its Wiri assembly operation, to be in full use by mid-1988.

In mid-February Mazda opened a \$15 million plant expansion at Mt Wellington which will almost double its output.

Last month Toyota New Zealand, which has spent \$20 million upgrading its Thames and Christchurch plants in recent years, claimed that several assemblers were considering their future, because of substantial over-capacity in the industry.

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CSO: 4200/1035

NEW NATIONAL PARTY HEAD SIGNALS FOR ECONOMIC CONTROLS

Auckland THE NEW ZEALAND HERALD in English 4 Apr 86 p 5

[Text]

The Leader of the Opposition, Mr Bolger, yesterday gave his clearest signal yet of his readiness to control elements of the economy by regulation if the National Party becomes the Government next year.

Speaking after his first full caucus meeting as party leader, Mr Bolger said that present trends indicated National would inherit a severe recession upon its election to office.

"That could mean, of course, that the policies that have to be applied immediately are not those that are consistent with the long-term goals of the party," he said.

He identified the goal as having the minimum of regulations, consistent with good government.

Mr Bolger refused to be drawn on what measures he would favour in order to repair the economy.

Controls

It was too early to predict soundly how deep the recession would be, he said, "and you would have to use whatever methods were open to you consistent with the size of the problem."

But Mr Bolger hinted at possible controls on the ex-

change rate, interest rates and wage increases as legitimate methods.

The three elements were major contributors to the difficulties being experienced by agricultural and manufacturing exporters.

Growing concern in the export sector indicated the next Government would be confronted with a major problem.

"That may require an immediate reaction that you would not normally do in a situation of stable economic management or performance," said Mr Bolger.

"We now have a recession that no one would have contemplated in July 1984.

Economic

"Therefore, we have to react and respond to that in the development of economic policy."

Meanwhile, the Minister of Finance, Mr Douglas, said he had no argument with earlier comments by Mr Bolger that every government intervened in the economy and was responsible for its management.

"This Labour Government has made more active use of that responsibility than any other government in recent years and we intend to go on actively

managing the economy," he said.

However, Mr Douglas claimed that Mr Bolger was wrong to suggest the key factor was the degree of intervention.

"On the contrary, what matters is your objective and how you go about it," he said.

The National Party in government had insisted on "hands-on intervention" and they alone had decided who received subsidies and who did not.

Real Value

"They put hundreds of millions of taxpayers' money into sheepment for which there was no market, a white elephant oil refinery, a crazy syngas plant and a lump-making steel plant," said Mr Douglas.

But with subsidies removed, farmland was returning to its real value, based on the value of its production, and would again become a safe, affordable investment.

"Our intervention has aimed to get rid of false signals instead of creating them, so that farmers and businessmen have a climate where they can make valid business decisions for themselves."

AUCKLAND DAILY REPORTS NEW NATIONAL PARTY LEADERSHIP

'Purge' Saves Only One

Auckland THE NEW ZEALAND HERALD in English 8 Apr 86 p 5

[Text]

Only one member of the National Party's recently promoted "new guard" front-benchers survived the purge by the Leader of the Opposition, Mr Bolger, yesterday.

The former finance spokesman, Mr Michael Cox, held on to his seat on the front bench proper in what was the fourth Opposition reshuffle since the past election.

Three close supporters of former leader, Mr Jim McLay, were tipped out of their places to make way for the resurrection of three colleagues, including the former leader, Sir Robert Muldoon.

He rose from the bottom 28th ranking in the caucus to number eight in the caucus line-up, and has been given the foreign affairs spokesmanship.

The party's new deputy leader, the Hon George Gair, becomes the party's finance spokesman, while another key figure in Mr Bolger's accession to the leadership two weeks ago, the Hon Bill Birch, retained the labour spokesmanship

while being elevated from his 12th ranking to become the third-ranked member of caucus.

Fallen

The Hon John Falloon was promoted from the "extended" front bench to the front bench proper, and at the number six place takes over the agriculture spokesmanship.

But their elevation was at the expense of Mr Ian McLean, who has fallen from fifth ranking to number 14, while also losing the trade and industry spokesmanship, and Mr Doug Kidd, who fell from sixth ranking to 18th.

Mr McLean has picked up the spokesmanship on forests, lands, state corporations and national development.

The education spokeswoman, Ruth Richardson, fell from her eighth ranking to number 12, while retaining the education role.

She will share one of the four seats on what Mr Bolger describes as his extended front bench, in the front row of the Opposition cross benches in Parliament. With her will be energy spokesman the Hon

Tony Friedlander, the new health spokesman, Mr Paul East, and Mr McLay, who will be the party's spokesman on justice.

While Mr Cox retained a place on the front bench proper, he has had his finance role restricted to his former job as spokesman on expenditure, the Audit Office and Customs.

The new trade and industry spokesman is the MP for Fendalton, Mr Philip Burdon.

The MP for Waikato, Mr Simon Upton, has lost his associate economic development spokesmanship, while being made an associate spokesman on social welfare.

The front-bencher and former Minister of Social Welfare the Hon Venn Young retained both his social welfare spokesmanship and his front bench seat in the changes.

Another to hold on to his front bench place was the Hon Warren Cooper, but he lost his foreign affairs position to Sir Robert, and instead takes over overseas trade from Mr Falloon.

12 'Front Bench' Leaders Listed

Auckland THE NEW ZEALAND HERALD in English 8 Apr 86 p 5

[Text]

The line-up of the National Party's new extended "front bench" of 12 is:

1. The Hon Jim Bolger (King Country): leader, SIS.
2. The Hon George Gair (North Shore): deputy leader, finance, party liaison.
3. The Hon Bill Birch (Franklin): labour, employment, policy liaison, House leader (Opposition).
4. The Hon Warren Cooper (Otago): overseas trade, local government, regional development, South Island development.
5. The Hon Venn Young (Waikato): social welfare.
6. The Hon John Falloon (Pahiatua): agriculture.
7. Mr Michael Cox (Manawatu): finance (expenditure), audit, customs.
8. Sir Robert Muldoon (Tairāhema): foreign affairs.
9. The Hon Tony Friedlander (New Plymouth): energy.
10. The Hon Jim McLay (Birkenhead): Attorney-General, justice, constitutional issues, official information.
11. Mr Paul East (Rotorua): health.
12. Ruth Richardson (Selwyn): education, youth issues.

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CS0: 4200/1035

CPP/NPA SALUTES 'BROAD UNITY' ENDING MARCOS RULE

Cebu City VISAYAN HERALD in English 3 Apr 86 pp 1, 4

[Statement by CPP: "Is This CPP Release? Reds Salute to New Government"]

[Text] The revolutionary movement led by the Communist Party of the Philippines New People's Army salute the broad unity and valiant struggle of the Filipino people that ended the 20 years Marcos-fascist dictatorial rule. The victory of the people's might over the US-backed Marcos fascist regime became a reality after long years of steady and arduous preparation and struggles. The display of people's militant might in that last four days of the fascist dictator was but a culmination of concentrated power against the much hated and isolated fascist regime. Had it not been for the firm unity and collective sacrifices of all anti-dictatorship and revolutionary forces such victory would not have been achieved earlier.

While there is a reason to be overjoyed with the ouster of a fascist dictator Marcos, and the coming into power of some liberal progressives, there must also be greater vigilance and preparedness against the remnants of US-backed Marcos fascist dictatorship, new trappings of bourgeois democracy, and the continuing intervention and manipulation of US imperialism. Until now, no major steps have been made to realize democratic reforms, to implement genuine land reform and to put an end to US imperialist intervention in our national affairs. Instead, the new government is caught in a seemingly endless web of internal clash of interests between the remnants of the old and new officials and among the newly installed and appointed government officials. The warlords local KBL loyalists, criminal elements in the AFP, private armies and CHDF's continue to hold out untouched. Militarization in the countryside surge on unabated. The economic crisis, hunger and poverty keep on choking the greater masses of peasants, farm workers, industrial proletariat and the middle class professionals.

While the revolutionary movement, patriotic and democratic forces welcome the government's call for national reconciliation and unity, the government must first comply with basic demands of the people. Without the immediate pullout of military troops in the countryside, dismantling of private armies and CHDF's arrest and prosecution of warlords, purging the AFP of criminal and abusive elements, release of all political prisoners, positive

steps towards genuine land reform and the ending of US military bases and aid--national reconciliation and unity would be nothing but a voice in the wilderness.

Ceasefire is likewise welcomed if it means peace, if it mutually benefits parties involved, if it sets the pace for total freedom, democracy and prosperity. But if it means nothing but an unjust elimination of one party existence of a manipulative condition, and the eventual resumption of class war, then there is no reason, no matter how practical, for such action to be committed.

National reconciliation and unity, ceasefire and surrender can never be pre-conditioned for change and progress. They must be the logical product of fundamental changes in the structures of society and socio-economic condition of the people.

Let this be a warning to the new government especially to the remnants of US-backed Marcos fascist dictatorship that unless you take positive steps in completing the dismantling of fascist structures and laws and set the condition for the realization of a truly free democratic and prosperous nation--we will never put a halt to our people's war. This is rightfully so, because our people's war has never been directed at Marcos and his rapacious gang only but on the entire strands of fascism, bureaucrat capitalism, feudalism and imperialism. Contrary to the propaganda of the fascist regime, we have never been a bunch of rag-tag anti-Marcos rebels nor as bloodthirsty terrorists. We are revolutionaries fighting for genuine national freedom and democracy and working for the eventual realization of a socialist future.

We assure Cory and other patriotic and democratic forces in the new government of our wholesome support and sympathy so long as they institute democratic reforms directly benefitting the Filipino people, and working for a truly free, democratic nation. We urge you to resist US dictation and manipulation and clean the house of all the dirt of fascist dictatorship.

We call on all Filipino people to continue to assert their rights, might and power for democratic reforms. Likewise, we call on all revolutionary and patriotic forces to carry forward the people's war to achieve national freedom and democracy.

/9317

CSO: 4200/1025

MANILA COLUMNIST URGES CHURCH TO OPT OUT OF POLITICS

Quezon City BUSINESS DAY in English 11 Apr 86 p 4

[Article by Ninez Cacho-Olivares: "My Cup of Tea" "Time To Take a Backseat"]

[Text]

Nuns and priests have exulted, at one time or another, that the peaceful revolution mounted by the Filipino people last February was a miracle; that "people power" was actually "God-power" and that God intervened in His usual divine way.

Atheists and skeptics will naturally disagree with such an interpretation, but what all will probably agree on is that during the revolution, and even before it, militant nuns and priests threw their support behind the people and were outspoken in their denunciation of the regime's violations of human rights.

In almost every demonstration, these militant nuns and priests could be spotted easily. They could always be counted on for support. They were somehow always there, one with the peasants, students, workers, the urban poor, the teachers and the professionals. And they were mostly up front, serving as some kind of front-line defense. This all-out support from the religious was a most welcome development and the street parliamentarians were grateful. Oppression and repression could no longer be denied, nor could they be justified. Human rights were being violated with impunity.

But while nuns and priests joined mass actions, the nation was still unclear about the official stand of the Church. Its stance of "critical collaboration" was confusing the faithful. One day, leaders of the Church would denounce the excesses of the regime, and yet, in almost the same breath, the same leaders would be seen embracing the man who personified the excesses and the evils of the regime. It became extremely difficult for the faithful to make the distinction between the "sin" and the "sinner."

Thus, when the Church leaders denounced the evils spawned by the repressive regime, many cheered, since they felt that the Catholic Church was fighting for, and fighting with the people. At the same time, when church leaders embraced the strongman, the same people felt betrayed and wondered bitterly why the Church could be so blind to the evils of the dictatorship.

As things finally turned out, the Church showed it was on the side of the Filipino people when it made a strong stand against the fraud, violence and terrorism that marked the presidential elections.

And while the call for the Filipino people to come to the aid of the rebel group was first sounded by Butz Aquino, Jaime Cardinal's call for the same kind of help spurred into action even those who had been timid and afraid.

It can perhaps be said that many Filipinos who wanted an end to their bondage and oppression were relieved that the Church leaders finally took sides, and finally decided to be with, and for the people.

Society was highly polarized. During that critical period, it was almost impossible for Filipinos to remain neutral. So much was at stake. It just wasn't the time for men and women to remain neutral. Even the media found it extremely difficult to remain neutral. There was hardly any grey line visible. Almost everything was seen as either black or white. One was either for, or against the regime.

Those who fought Mr. Marcos openly knew what the future held for them if Mr. Marcos's forces won. Those who were openly supporting Mr. Marcos and his regime also knew that if the revolutionaries emerged the winners, they would suffer the scorn of the public. There were, at that point, no two ways about it.

But now that a new and popular government is in place, now that a new dawn is apparently breaking, should the Catholic Church continue to play a prominent role?

Some quarters, perhaps always wary of the strength of the Catholic Church, feel that it should now take a backseat. There is the fear that the Church, having become so powerful, will now manipulate and exert its influence in the formulation of the policies of government.

But one can argue: if the influence and manipulation of the Church is for the good of government, why shouldn't the Church then exert its influence?

But if we use that as an argument, then we must also pose another question: how would the church know what is good for government under normal conditions? And still another: the Church has

its own vested interests to protect. Won't it be tempted to use its influence on government and the administration to protect its interests?

And if the atmosphere is no longer oppressive, if the spirit of justice prevails, should the Church continue to play the same dominant and militant role it played shortly before and during the revolution? Shouldn't the Church now take a backseat and concentrate more on the spiritual needs of man, focusing less and less on politics and more and more on religion?

During the revolution, the Filipino people applauded lustily when the rebel forces made a stand in support of the people. They cheered even more when the loyalists defected to the rebel camp. And today, there is an abundance of goodwill between the soldier and the citizen.

While the people were gratified that the soldiers supported them in their struggle to topple the Marcos regime, they had hoped that the new armed forces would become a professional and apolitical force. It is the same thing with the Catholic Church. The Filipinos are grateful that the Church was with and for them in their fight for freedom, justice and democracy, but as things normalize, so should the role of the Church and of the armed forces.

Both the Church and the armed forces should perhaps stay in the background now that a popular government is in place. An apolitical armed forces should, in obedience to civilian authority, protect the soul of the state. The Church, in obedience to divine authority, should protect the soul of man.

The atheists can take care of themselves, even when they are all dressed up with nowhere to go.

ACTING COMELEC CHIEF ON PLANS

Cebu City SUN STAR DAILY in English 1 Apr 86 p 13

[Text]

MANILA, March 31

Ramon H. Felipe today formally took over the Commission on Elections (Comelec) as acting chairman.

He succeeded Victorino Savellano whose resignation and that of senior commissioner Jaime Opinon were accepted by President Aquino last March 21.

In his acceptance speech, Felipe said he will pursue with vigor the reorganization plan of his predecessor.

Felipe, a former congressman, also said he will transfer the Comelec offices to a new location.

His other plans:

- Call for a general registration of voters before the coming plebiscite and local polls.

- Reductions of Comelec 5,400 workforce.

- Change the word commission into constitution.

Felipe was appointed Comelec commissioner on March 23 last year by former President Marcos on recommendation of the opposition.

His members of the commission are Froilan Bacungan, Mario Ortiz, Quirino Martinez, Mangontawan Guro, Jaime Layosa and Ruben Agpalo. PNA

/9317

CSO: 4200/1025

CEBU COLUMNIST ON JUSTIFICATION OF BATASAN ABOLITION

Cebu City SUN STAR DAILY in English 1 Apr 86 pp 3, 12

[Commentary by Johnny Brennan: "BP Abolition Justified"]

[Excerpt]

TO justify the abolition of the Batasang Pambansa, President Aquino called it a "cancer" in the nation's political life.

I don't know if cancer has more respectability than a lapdog, but the mambabatas of that unfortunate body have no one to blame for the lawmaking body's dissolution except themselves, the way they — except the then opposition MPs, of course — docilely did their late master's bidding without so much as a yip. They don't even deserve any condolence.

MAKE no mistake, we are all for a legislative body, and we are sure the President feels the same way, but — let's face it — the Batasang Pambansa was a national shame, if a legislature could ever be called that, and better abolished than continuously tolerated.

If anything, the dissolu-

tion of the BP was only poetic justice. It will be recalled that in 1972 a strong-willed President abolished the country's lawmaking bodies because they refused to be led by the nose by him; the BP which he shaped to his own concept has now been abolished by another President for over-subservience to its creator. It's only unfortunate that in the process, the "good guys" were swept away with the "bad guys." All a part of the cleansing process.

REDEEMING feature in the BP dissolution for the dislocated MPs, good and bad alike, is that they will be afforded the opportunity of proving that they deserve sitting in the august halls of a lawmaking body when the President calls for an election after a Constitution has been formed.

Such election, hopefully, will be free, honest, clean and fair, without the taint of vote buying and terrorism. Then if the people see fit to return them to Congress or Batasan, they would only be giving the people the government they deserve. So what these dispossessed MPs could do right now is go home to their constituencies and start mending fences in preparation for the expected elections.

FIFTY city and town mayors, led by San Juan Mayor Joseph Estrada and Olongapo Mayor Richard Gordon have decided not to give up their posts.

These mayors must be sweepstakes aficionados, the way they follow its slogan, but it won't do them any good because even if they refuse to quit, they can't expect to win this one.

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CSO: 4200/1025

DEFENSE MINISTRY RETURNS FIRMS SEIZED UNDER MARTIAL LAW

Cebu City SUN STAR DAILY in English 1 Apr 86 pp 1, 2

[Text]

MANILA, March 31

The defense ministry today handed back to the Jacinto family a group of multi-million peso companies the government seized when martial law was declared in 1972.

In his remarks, Defense Minister Juan Ponce Enrile cited the retired military officers who had successfully turned the once losing and heavily indebted Jacinto companies into profitable firms.

He said the military did not attempt to own the sequestered firms despite the powers at its command during martial law.

When the company was taken over by the military, its assets grew from P102 million in 1973 to P200 million in 1985. (PNA)

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CSO: 4200/1025

LOCAL BUSINESSMAN'S FIRM SEQUESTERED

Davao City THE MINDANAO TIMES in English 29 Mar 86 p 1

[Text]

DAVAO CITY—Eighteen (18) companies under the ANFLO group of companies of Businessman Antonio Florendo were placed under sequestration by the Presidential Commission on Good Government over the past few days.

Orders of sequestration were duly served on the 18 companies on March 24.

A memorandum, jointly coming from Mr. Rodolfo P. del Rosario, chief operating officer of Anflo Management & Investment Corporation and Atty. Dionisio dela Serna, chairman, PCGG task force, Region XI outlined the guidelines on the implementation of the order.

The joint memo showed that the management of the companies submit themselves to the authority and jurisdiction of the PCGG.

Likewise, steps are to be taken to assure minimum dis-

ruption of the affected companies and to ensure the continuity of these companies as going concerns. Business activities of the companies shall continued without disruption.

Named together with de la Serna as members of the task force are Atty. Dario Rama, Mr. Luis Lorenzo, Jr. and Mr. Paul Dominguez.

The 18 Anflo companies are: TADECO, Worldwide Dev. Corp., Davao Agricultural Aviation, Inc., Nest-farma, Inc. Pioneer Trading, Davao Agricultural Ventures Corp., Anflo Management & Investment Corp., Davao Motor Sales, House of Travel, Valley Motors Corp., Mindanao Motors Corp., Anflocars, Inc., United Motors Corp., United Financing Corp., Worldwide Mining & Exploration, AOF Shipping, San Vicente Port Terminal and Credit & Collection Specialists.

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CSO: 4200/1025

REGIONAL PRESIDENTIAL AIDE REJECTS LONG TERM POWER

Davao City THE MINDANAO DAILY MIRROR in English 1 Apr 86 p 3

[Text]

Presidential consultant Jose V. Ayala the other day rejected the heady taste of power and quaffed speculations of his prolonged stay as the personal representative of Pres. Cory Aquino for southern Mindanao.

Ayala told chief of staff Gen. Fidel V. Ramos that his role will last only as long as the government's transition phase.

The lawyer-businessmen, who staked the future of his agriculture firms fighting the Marcos regime, vowed to inhibit himself from politics.

Ayala narrowed down his main tasks to pushing national recovery at a faster pace in the South and facilitating political stability. "Not political power," he said.

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CSO: 4200/1025

DAVAO EDITORIAL: GIVE PRESIDENT TIME TO ORGANIZE

Davao City THE MINDANAO TIMES in English 29 Mar-5 Apr 86 p 2

[Editorial: "Give the President Time"]

[Text]

The mess in this country wrought by deposed President Marcos, his wife, and their relatives and associates is so great and widespread, it would take a near-miracle to clear it up and restore conditions to normal.

President Aquino cannot work a miracle even if she wants to. She needs time to adjust herself to the highest office in the land, to organize her Administration, and to familiarize herself with the pressing problems gripping the country and the people, so that she can prioritize her effort, time and resources in solving the problems.

Of course, it is easy to understand the impatience of the people who have been deprived and despairing for 20 years. It is also easy to understand why some officials in the new Administration are elbowing each other for the more strategic positions in preparation for future decisions.

But, at the moment and for some time to come, the people should come down to earth and face reality : there is much yet to be done and we are in for more sacrifices and tears before our government, economy, peace and order, and society could stabilize.

Happy days are not yet here.

/9317

CSO: 4200/1023

DAVAO EDITORIAL URGES ELECTION OF CONSTITUTIONAL DELEGATES

Davao City THE MINDANAO DAILY MIRROR in English 2 Apr 86 p 2

[Editorial: "The Constitutional Body"]

[Text]

There are two sides to the question of choosing who should sit in a Constitutional convention which would draw up a new (Freedom) Philippine Constitution. One side wants the members to be elected by the people. The other side wants the Aquino government to merely select as members those which it considers as persons of probity, integrity and nationalism.

There are sound reasons for opting for the first. Yet, it is argued that only the rich can win in an election at large, thus shutting the door in the faces of capable men and women who cannot afford to run in such an election.

In the end, it narrows down to the question: Who is in a position to say that this person or that is a person of probity, integrity and a true nationalist? In the kind of democracy we have been taught, elections are still the best way to choose our leaders. Let us then elect the members of such a Constitutional convention.

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CSO: 4200/1025

MUSLIM ON 'UNCERTAINTY, TREPIDATION' WITH NEW REGIME

Quezon City BUSINESS DAY in English 11 Apr 86 p 5

[Article by Abrino Aydinan: "Why the Muslims Feel Left Out"]

[Text]

The new government's call for national reconciliation does not sit well with secessionist Muslims in the Philippines who feel that the unity campaign is only directed at winning communist rebels and forging a "stronger Christian" nation.

Historically rooted to the Moro-Christian conflict during the Spanish era, several Muslims in the country view with cynicism any such overtures for unity, claiming that a stronger Christian nation would only mean stronger pressures and denial of justice against Islamic believers.

A key program of the Aquino government is to win over the armed rebels. In line with this, the government has released members of the communist party and its military component, the New People's Army, observed a self-imposed ceasefire in the battlefields, and says it has opened talks with leaders of the banned organizations.

To Muslims, it is apparent that such national reconciliation objectives are focused mainly on

the communist insurgency. They believe that peace pacts would only resolve conflict among Christians, and if successful, could only result in a stronger "Christian nation" that would continue to deny Muslims justice.

Muslim intellectuals think that the revolution that toppled ex-president Ferdinand Marcos is not significant to the Bangsa Moro or Moro nation, an entity which they assert has existed since peoples of the Islamic faith resisted European invaders and put themselves outside of a colonial state created in the Philippines.

FRAMEWORK. The Aquino government so far has been working within the framework of a single nation-state — a concept Muslims oppose. By this standard not a few Muslims think the essential difference of the present dispensation from the preceding regime remains to be seen.

The Muslims' claim to separate nationhood is based on historical and current realities. Not only did they successfully prevent their integration

into the Spanish colony which consisted of much of Luzon, the whole of the Visayas and only fringes of Mindanao. The revolutionary government of Emilio Aguinaldo that declared Philippine independence from Spain also implicitly recognized the Islamic sovereignty in the South particularly the dominion of the Sultan of Sulu. When the United States withdrew in 1946 its colonial administration and incorporated Mindanao into the Philippine state, the Muslims attempted to secede. A full-blown secession movement was organized by the Moro National Liberation Front (MNLF) and its Bangsa Moro Army after the previous central government of Marcos imposed martial law rule in 1972.

The MNLF propounded the "two-nation" (one Christian, one Muslim) thesis. Its founder, Nur Misuari provided the critical underpinning of the Muslim revolution. His book, *Philippine Colonialism*, discussed at length the overlordship of the Christian majority over

the Muslims and other minority peoples within the Philippine Republic. In a change of label, Muslim revolutionary activist Jalaluddin de los Santos talks now of "indio colonialism." More than simply a matter of semantics, the shift in terminology puts the MNL's presentation of the Muslim struggle on a firmer historical footing. It also subtly erases the secessionist posture inherent in the term "Filipino colonialism" and makes Christian Filipinos feel less of a threat.

NO COMFORT. De los Santos (the name is a legacy from his father's conversion to the Christian faith), a former professor at the University of the Philippines and secretary-general of the World Muslim Congress, says his people hardly find comfort in the power structure of the new central government.

"The institutions that have wreaked havoc on the Moro people economically, physically, and culturally are now well ensconced as the major influences that have brought President Aquino to power — the (Catholic) Church, the military, as well as vested economic interests," De los Santos told *Business Day*.

"While it is true that there are individuals inside these institutions sympathetic to the Moros," De Los Santos said, "the bigger portions are still by and large conservative institutions. We cannot expect them to change overnight so it would be a big mistake on our part to gauge these institutions only through the prism of their better members."

De los Santos said Muslims just cannot share the adulation over the gallantry of (Col. Gregorio) Gringo Honasan and other lionized figures of the February revolution because "as far as we are concerned

they won medals in Mindanao stained with the blood of our own heroes who died, fighting to defend their own lands, people and patrimony."

"I cannot understand the moral consistency here," De los Santos said.

WORRIED. De los Santos said the Muslims regard the declaration of a revolutionary government by Manila "with a certain amount of uncertainty and trepidation," explaining "there is a historical basis for it."

He pointed out that the Katipunan revolution of the 1890s was followed by the incorporation of Mindanao into the Philippine state and "our lands were opened up" to Christian settlement from Luzon and the Visayas. When the Communist Party of the Philippines declared a revolution after the war "we were at a receiving end again because the government, as a result, alienated choice lands to surrendered Huk (the communist rebels). When former president Marcos declared his so-called revolution from the center, De los Santos also pointed out, the Muslims suffered more than 100,000 dead, two million people uprooted from their homes and lands and 250,000 to 300,000 who became refugees.

"Whether the revolution is declared by Mus-

trados, the left or the technocrats or the President, the end result was always bad for us," De los Santos said.

But De los Santos also said the Muslims "are giving the new govern-

ment the benefit of the doubt" and he is "not saying we should have a belligerent stand (towards President Aquino)."

"I hope in the near future these institutions that I speak about will be influenced by its better members. Then and only then can the stage be set up for true reconciliation," he said. "The problem also exists on our own end because we have also people in our own camp who are very narrow-minded. So it would be the obligation of the better informed in all societies to widen the windows of appreciation for each culture — as wide as possible in order to appreciate each others' fears and aspirations."

POSSIBILITIES. De los Santos and other Muslims think the Christian and Muslim nations can co-exist harmoniously in a joint polity. De los Santos is open to other alternatives, including the setting up of a federal state or a commonwealth of states, as long as it ensures equality. He also took up the cudgel for the Igorots of Northern Luzon as well as other non-Christian and non-Muslim communities whose right to self-determination, according to him, should also be provided for in the future Philippine setup.

Given that the Muslim, the Igorot, and other nominal Filipinos are

conscious of their separate nationhood from the people of the majority culture, the Aquino government's concept of reconciliation seems clearly too limited and in need of revision. The reconciliation of the Muslim nation, or the equally rebellious Igorot people with the rest of the Philip-

pines lies beyond the orientation of the planned commission on national reconciliation. In any case, there is a need to set up, say, a commission to tackle squarely the Muslims' and Igorots' claim to nationhood, and their charge of Christian domination over their societies.



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CSO: 4200/1005

DAVAO COLUMNIST FAVORS FEDERAL SYSTEM

Davao City THE MINDANAO DAILY MIRROR in English 1 Apr 86 p 2

["Frankly Speaking" column by Marietta F. Siongco: "For a Federal Form of Government"]

[Text]

The Mindanao Statehood Movement (MSM) is not advocating for the separation of Mindanao and Sulu from the rest of the republic.

The disclaimer came from the MSM organizers who denied that they are for the secession of Mindanao and Sulu like the Mindanao Independence Movement, launched last month in Cagayan de Oro by former Assemblyman Reuben Canoy and Lanao del Sur Gov. Ali Dimaporo.

"That would be treason and we could be picked up anytime by the military for such a weird and unpatriotic idea," says a newsmen, one of four newsmen who, realizing that the proposal has merits decided to join the group headed by Councillor Victorio Advincula and human rights lawyer Odilon Mallari.

He also laments that some journalists who claimed to be anti-Marcos yet benefited from the previous administration's largesse during the snap election campaign are the ones most vehement in criticizing them as "disgruntled remnants of the Marcos regime" and making fun of the movement.

The MSM is battling for the adoption of a federal form of government just like in the United States, Malaysia, Great Britain and most progressive countries. Now that the Aquino government has declared itself as revolutionary although it did not use the controversial word in the text of Proclamation No. 3, and is set to call a Constitutional Commission to write a new Charter, the MSM leaders think it's high time the national leaders should study the advantages of the federal system of government.

For too long under the present system of government, the islands of Mindanao and Sulu have been neglected, too often at the mercy of whoever is in power in Manila. Advincula cites the following as some of the advantages if the Charter drafters would adopt the federal system and not the unitary form of government now obtaining in the country:

— Powers of government will be decentralized with local governments becoming more independent, dispensing services to the people without need of asking Manila for approval;

— Local governments could retain a bigger part of their income unlike now where the seat of power decides when and how the income should be apportioned;

— Insignificant matters like government examinations, processing of retirement or death benefits, approval of purchases of local governments and appointment of personnel, among others do not have to be done in Manila;

— The country would be divided into states and each state could have its own court system, tax its own people, spend its income the way its people think it should be spent and elect its own officials who would be responsible to its people not to the national officials;

— eliminate opportunities for graft and corruption.

Advincula claims the Mindanao Statehood Movement is non-political and non-partisan. Its only objective, he said is to diffuse power and to decentralize the government. Since the country has not done so well under the present unitary system, why not adopt the federal system of government?, asks Advincula.

"Under a federal system", says another lawyer, "the national government would take care of foreign affairs, foreign trade and national policies which the individual states can implement according to guidelines laid out by the national gov-

ernment. It would also take care of the financial system of the country, issue currency, run the banking system and collect income taxes and customs duties."

What makes the proposal of the MSM members attractive is the thought that under the federal form, it would be very difficult for another dictator like Marcos to come into being since the powers of whoever is President would be clipped and finances would be decentralized to a certain extent. One wonders though whether, the Aquino government, if ever, would study the proposal and appoint members to the constitution-making body who would discuss and study the federal system.

The country under the unitary form of government has sunk so low, and that's putting it mildly, giving rise to a dictator who must have spent the 20 years of his rule thinking only of how to amass more wealth and how to hide it well.

Under the federal system, such likelihood of another dictator aborning could be prevented and neglected areas like Mindanao, Sulu and Palawan would get the attention they highly deserve. One hopes President Aquino would study the matter and if the welfare of the country is really uppermost in her mind, would not totally discard the idea.

JUSTICE MINISTER VISITS DAVAO CITY, EXPLAINS POLICIES

Davao City THE MINDANAO TIMES in English 29 Mar-5 Apr 86 pp 1, 5

[Text]

DAVAO CITY - Minister Neptali Gonzales of the Ministry of Justice makes his first Mindanao visit Tuesday to discuss with the different sectors the format of government that the Aquino administration will adopt as it undertakes sweeping reforms in the country.

Minister Gonzales will be speaker during an afternoon forum at the Apo View Hotel on April 1st. He was invited by the Davao chapter of the Integrated Bar of the Philippines as part of the chapter's continuing effort to provide legal information to the members of the legal profession and on the community at large.

Lawyers, and some invited civic leaders are invited to the forum. Registration will start at 1:30 p.m., April 1st. While participants will not pay for any seminar fee, they will have to shoulder the cost of snacks to be served during the break.

The visit of Minister Gonzales has added significance in the light of the recent pronouncement made by the Aquino administration about the format of the government that is in place before normalcy in the country is achieved.

Minister Gonzales will have also opportunity to meet with the government prosecutors, fiscals and their assistants and other officials during his Davao visit. He will leave back for Manila on the same day due to other pressing commitments.

IBP Director Gladys Tiongco, head of the IBP committee on internal development is finalizing arrangements for the Tuesday forum in coordination with LAHRIM Project Director Luihati Hilario.

IBP President Jesus G. Dureza will lead the lawyers in welcoming the visiting minister.

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CSO: 4200/1025

RAMOS MOVES AGAINST ERRANT, RENEGADE MILITARY IN SOUTH

Cebu City SUN STAR DAILY in English 3 Apr 86 pp 8, 17

[Text]

CAGAYAN DE ORO
CITY, April 2

Armed Forces Chief of Staff Gen. Fidel V. Ramos today ordered the disarming of lost commands in Agusan del Sur and the relief of three military officers for alleged violation of human rights in Misamis Occidental.

Brig. Gen. Mariano P. Adalem, Regional Unified Command (RUC) chief of Northern Mindanao, said Ramos' directive was transmitted to the RUC command this morning.

The lost commands are maintaining a detachment at the Paper Industries Corporation of the Philippines (PICOP) in barangay Consuelo, Bunawan, Agusan del Sur.

Adalem said military officers ordered relieved were

Col. Enrique Lumapas, PC commander of Misamis Occidental; Bonifacio Dacot, PC company commander in Ozamis city and Maj. Rogelio Navarro, commander of the army's 95th infantry battalion in Misamis Occidental.

He said the officers will be investigated for crimes concerning human rights violations.

Ramos' order was an offshoot of reports received by the human rights commission head Jose Diokno.

Adalem said Ramos also ordered the manhunt for 26 militiamen in Gingoog City who reportedly defected to the rebels and brought with them service firearms.

He said the militiamen is led by one Felipe Galirion.

(PNA)

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CSO: 4200/1025

DAVAO EDITORIAL URGES CHDF REFORM

Davao City THE MINDANAO DAILY MIRROR in English 1 Apr 86 p 2

[Editorial: "Out With Misfits"]

[Text]

The sooner misfits are weeded out of the Civilian Home Defense Force the better it will be for everyone concerned. Innocent citizens will breathe a bit easier, the military's image will be enhanced and the peace and order campaign will proceed apace.

A firearm, left to itself, will never fire a shot. But placed in the hands of an irresponsible, ill-trained civilian it could become a symbol of authority-unlimited.

The MIRROR has always questioned the method of selecting members of the CHDF. What are the criteria followed in the selection of para-military personnel? What kind of training do they get? What limits of responsibility are given to them?

These are serious questions needing serious answers. By choosing the wrong people who will wear the CHDF uniform, the government may only be prolonging our long search for final peace. The scalawags, whether in the CHDF, the other military services and in other civilian government agencies must go. NOW.

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CSO: 4200/1025

MINDANAO CHDF DEFY AUTHORITY, CONTINUE OPERATIONS

Cebu City VISAYAN HERALD in English 7 Apr 86 pp 1, 4

[Text]

CAGAYAN DE ORO CITY —

Some 430 members of the Civilian Home Defense Forces (CHDF) in Northern Mindanao have reportedly deserted their units last week to conduct their own operations against the New Peoples Army (NPA).

The desertion was reported by a highly placed military officer shortly after the newspapers reported that Malacanang had ordered the Ministry of National Defense to disarm and disband all para-military units.

The report said a tribal CHDF unit in Agusan del Sur with about 300 members fully armed with Armaletes, Carbones, Garands and Thompson submachineguns have gone to the hills in search of communist rebels.

In Gingoog City, some 50 CHDFs belonging to a religious sect were also reported to have

fled to the interiors and another group of about 80 from Butuan City has allegedly done the same.

An officer who refused to be named said the group who deserted from Butuan City left a note on top of the deck of an army battalion commander stating that their act is in protest of the order to disarm them.

The renegades allegedly said in the same note that by surrendering their issued firearms, they will be placing themselves at the mercy of the rebels whom they used to fight openly.

C-1, Ernesto Ponce, spokesman of the Regional Unified Command 10, refused to confirm or deny the report saying that there has not been any official report about the incident although he personally heard of it, too.

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CSO: 4200/1025

RAMOS MEETS AQUINO AIDE, POLICE CHIEF IN DAVAO

Davao City THE MINDANAO DAILY MIRROR in English 30 Mar 86 pp 1, 9

[Article by Satur P. Apoyon: "Ramos Meets Ayala"]

[Excerpt]

Starting April 1, the AFP will introduce a new patch depicting the Philippine Flag. It will be worn by every AFP soldier. Applied at the left shoulder of the victorious rebels in the four-day revolt at Camp Aguinaldo and Camp Crame, the new patch will be placed at the right shoulder.

The order was issued in Davao City during Good Friday visit of General Fitel V. Ramos, new AFP chief of staff.

In the midst of a noonday command conference at Camp Cautipan here, General Ramos met Chito Ayala, the "New Power" in Southeastern Mindanao. Attorney Ayala is the region's presidential consultant of Her Excellency Corazon C. Aquino.

Mr. Ayala, who supported

Mrs. Aquino during the Feb. 7 snap polls in a gigantic manner, attended the conference to pledge support to the pacification and reconciliation efforts of the government with dissidents.

Not intending to amass political power, Mr. Ayala declared before the AFP officers and men that he will be around to support Mrs. Aquino's administration in the transition period.

General Ramos, also during his Good Friday visit here, told Col. Laodemer Kahulugan, Davao Metrodiscom chief, as he prepared for takeoff back to Manila afternoon of that day that it would seem easy for the latter's lateral entry into the INP "if he won't ask immediately the Police Brigadier ship."

What does it mean - Police Colonel will be okay at the beginning?

Kahulugan who became Davao Metrodiscom chief Dec. 18, 1984 is retiring as Constabulary colonel.

More on military matter ... what is this we heard that the Third Marine Brigade based at Malagos, Baguio district will be pulled out from here?

The darling among AFP units in Davao City and neighboring areas of Southeastern Mindanao since mid-1981, the Marines will be greatly missed by the Davaoenos.

We just hope the unofficial information is not true.

In whatever angle, you can view the Marines as very necessary elements of the AFP in this part of Mindanao.

Let's keep them here.

/9317

CSO: 4200/1025

NDF STATEMENT ON FEBRUARY 86 EVENTS, CONTINUED DEMANDS

(Clandestine) LIBERATION in English 26 Feb 86

[Official international publication of the National Democratic Front of the Philippines; published as a handout and marked "Special Release No. 2"]

[Statement by the National Democratic Front of the Philippines: "A People's Victory Over the US-Backed Marcos Regime; A People's Continuing Fight to Advance Democratic and Patriotic Goals"]

[Text]

The Marcos fascist regime has been overthrown — his fall hastened by direct popular struggle of the Filipino people.

The National Democratic Front salutes the people for their audacity, their militance, and their courage.

The historic events of the past four days began with the serious split in the military forces of the dictatorship. Unwilling to go down with their commander-in-chief, deputy chief of staff Fidel Ramos and defense minister Juan Ponce Enrile together with hundreds of others defected to the opposition.

What developed thereafter was far more than a military rebellion. Seizing the action of the defectors as another chance to strike harder at the dictatorship, millions of Filipinos poured into the streets. With their bare bodies, they successfully frustrated repeated advances by tanks and armed troops of the Marcos regime.

They formed human barricades in the major thoroughfares of the capital. Others followed with their own barricades and strikes in other parts of the country. Television stations of the government were taken over. Eventually the people were able to take control of the presidential palace.

In toppling the Marcos regime, the people have cracked the imperialist hold of the US over the Philippines. This struggle has been long and hard, claiming lives of untold thousands. For two decades the Marcos regime — principal instrument of US rule in the Philippines, loyal caretaker of its two military bases and economic interests in the Philippines — bore down hard on a people's democratic rights.

Now the US, recognizing the onslaught of a militant and massive people's resistance, maneuvered to position itself to direct government policy in the post-Marcos era. It had finally decided to dump Marcos.

The immediate aim obviously was to try to pacify the people and to minimize the devastating impact of the resistance on the neo-colonial set-up of the US.

But in the tradition of protecting US puppet dictators from facing trial for their crimes, the Reagan administration also arranged for Marcos, his wife, and his cronies to escape via Clark Air Base.

Washington and its agents will continue to undermine the gains of the people. It will belittle the role of the people in the changes that have swept the country. It is expected to renew its attacks on the people under cover of the old anti-communist hysteria through pro-US elements who may also have been identified with the US-backed Marcos regime. In this connection, the NDF is deeply disturbed by the presence in the Aquino government of, among others, Enrile and Ramos who were the chief architects and consistent implementors of the martial law regime.

The Filipino people have caused the downfall of a dictator. With this they have opened the possibilities for greater exercise of their democratic rights. The NDF calls on the Filipino people to defend their gains. At the same time the Filipino people must persevere in creating a truly free and democratic society. Towards this end, we must continue to demand the following:

- uphold and promote the free exercise of the people's democratic rights
- complete the process of genuine land reform, raise rural production through cooperatives and modernize agriculture
- guarantee the right to employment, raise the living standards and expand social services
- terminate unequal treaties with the United States and renegotiate foreign investments and loans on the basis of equality and mutual benefit
- implement a program of national industrialization
- promote a patriotic, scientific and popular culture and ensure free public education
- respect and foster self-determination for the Moro people, the Cordillera people and all ethnic minorities
- maintain a non-aligned, independent and peace-loving foreign policy.

The NDF takes this occasion to congratulate Corazon Aquino for her role in the ouster of the US-backed Marcos regime. We are prepared to give our support to her positive efforts to fulfill such democratic demands as the release of political detainees and the restoration of press freedom. The

NDF further submits that there is a need to redress grievances of victims of gross human rights violations and urges the immediate investigation, trial and punishment of all those in the Marcos military and bureaucracy who have been responsible. It urges as well the investigation of known cronies and the confiscation of ill-gotten wealth.

The NDF sees the compelling need for unity among patriotic and democratic forces in the country during this time of crisis. We see the fulfillment of these democratic demands as a first step towards the thorough dismantling of the US-backed Marcos fascist machinery.

Hail the victory of the Filipino people over the US-backed Marcos dictatorship!

On with the fight for a truly democratic, representative and patriotic government!

/12828

CSO: 4200/1005

THAILAND

PAPERS' REACTION TO U.S., LIBYAN CONFLICT

Both Countries Faulted

Bangkok BAN MUANG in Thai 21 Apr 86 p 4

[Editorial: "A War of Revenge"]

[Text] There is little possibility of the U.S.-Libyan situation returning to what it was before the United States openly attacked the Libyan capital. The efforts of the allies of the United States and Libya to restore peace between the two countries have failed. It will be very difficult to heal the rift between these two countries.

The suspicions that the United States and the Middle East have of each other can no longer be limited. Even though the governments of several Middle Eastern countries will continue to be friendly with the United States, it will be more difficult for people of the Middle East to associate and be friends with Americans. And this could have serious religious effects because of the great religious differences.

Libya has retaliated against the United States by carrying out terrorist acts in various places. That is just as terrible as the U.S. attack on Libya. In both cases, innocent people who were not involved in the actions of the leaders of these countries have been the ones to suffer. These actions are wrong from both a worldly and moral standpoint. The United Nations cannot be relied on to settle matters or put a stop to the terrorist activities of groups outside the law. Thus, it has become necessary to fight back.

To put a stop to this, the allies of both countries must help put an end to the root causes. This should not be allowed to unfold in such a manner that provokes them to use weapons and force or issue challenges. It must be admitted that the cause of this is the terrorist activities of various groups that lack a sense of morality. Such crimes are the most evil crimes committed by human beings.

Thailand is in danger, too. Our government and officials must take stricter action against terrorism and keep a close watch on places of entertainment frequented by foreigners, particularly tourist attractions, and hotels used by foreigners. The terrorists can't single out people from a particular country. Others, too, will have harmed in terrorist operations. Besides causing loss of life and destroying property, such activities will ruin our plans to promote tourism.

Columnist Terms Thailand 'Slave'

Bangkok DAILY NEWS in Thai 19 Apr 86 p 2

[Around the World column by Trairat: "From the Farm Act to Libya"]

[Text] The operation in Libya and the promulgation of the Farm Act clearly show that the United States feels that it can do anything it wants and get away with it. Even though people in the world have condemned its actions, it doesn't care.

The United States has publicly condemned Libya for supporting terrorism throughout the world. But the United States does not have any clear evidence to prove that. And Libya is not America's only enemy. The United States has enemies everywhere. Libya is thousands of km away from the United States. It is a small country. Why would Libya pick a fight with this giant unless the United States had done something terrible to it and Qadhafi could no longer bear it? What did the CIA do? According to news reports, it has marked Qadhafi for destruction and formulated plans to assassinate him on several occasions. It has tried to topple Qadhafi several times. Last Wednesday, there were reports encouraging people to stage a coup to topple Qadhafi.

Many countries bear scars caused by the United States that they can't forget. There have been times when the people have risen up to throw out the despots. Take the events of 14 October 1973 in Thailand and the recent overthrow of Marcos in the Philippines, for example. The peoples of both Thailand and the Philippines have had to make the best of a bad situation with the United States. In particular, Thailand once allowed the United States to use military bases here to attack a neighbor. And to this day, Thailand has had to bear the effects of those U.S. actions. What have we gotten in return? First the Jenkins Bill and now the Farm Act, which is aimed at seizing our rice markets.

Whenever the United States stands to gain, you don't have to ask it for help. It will hurry to provide protection. Take Nicaragua, for example. The leftists staged a revolution and seized power. Now, the United States is trying to overthrow the Sandinista government. The United States is trying to topple the governments of Libya and Iran because they refuse to serve as underlings of the United States.

At present, the United States attaches little importance to Laos, Cambodia or even Thailand. The United States has turned its back on the Cambodian issue because it remembers the combat strength of Vietnam. As for Thailand, it has always followed America's ass closely and so the United States treats us like a slave. We are a small chick in the Eagle's talons.

By resolving to fight the United States, Libya has won the hearts of the people of the world, including Arabs, Africans and others in the world. Because of this, the United States has had to think seriously about violating world opinion and attacking Libya. The gains might not be worth the losses.

If Thailand really wants to fight the Farm Act, it must be prepared to give and take punches. We shouldn't sit about crying and complaining. That won't do any good. As for staging demonstrations against the United States, unless tens of thousands of people get involved and show great resolve, it would be better not to demonstrate. If only 400-500 people demonstrate, it would be better not to do that. That would just waste time. The United States would laugh at us for our lack of resolve. Staging a demonstration is useless unless it is a massive demonstration. Even the mass media does not want to cover small demonstrations. I don't know why. Millions of unfortunate Thai farmers are very worried about what will happen to them in the future. We have such good leaders!

11943

CSO: 4207/216

THAILAND

EDITORIAL CALLS FOR BETTER ECONOMIC TIES WITH USSR

Bangkok NABO NA in Thai 18 Apr 86 p 4

[Editorial: "Thailand and the Soviet Union"]

[Excerpt] In general, relations between Thailand and the Soviet Union have not developed as smoothly as they should have because of the differences in the political policies of the two countries. And recently, relations have grown even worse because of Soviet support for Vietnam's use of military force to occupy Cambodia, which poses a serious threat to Thailand's security and sovereignty.

Even with such differences, it would be in the interests of both Thailand and the Soviet Union to improve relations with each other. However, past talks between senior Thai and Soviet officials have focused on the Cambodian problem and other political problems. Very little attention has been given to economic and trade relations even though both countries could improve economic and trade relations by eliminating certain obstacles, including the Soviet attitude of mixing trade with politics. There is a great demand for various types of Thai goods, including textiles, ready-made clothing and agricultural products, on Soviet and East European markets.

The Ministry of Foreign Affairs has long said that it wants to separate political relations from economic and trade relations so that our foreign policy can better satisfy economic demands. This policy has been used with several countries, including the United States. When the Farm Act problem arose, senior government officials called on the students and people who were demonstrating against the Farm Act to separate trade and political problems. But this policy has been ignored in the case of the Soviet Union and the Indochina countries.

The negotiations between the Thai deputy minister of foreign affairs and the Soviet Union provide a good opportunity to improve economic and trade relations between the two countries instead of allowing Singapore and other countries from making profits and growing rich.

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CSO: 4207/219

THAILAND

EDITORIAL REACTS TO MOCHTAR CALL FOR SRV-THAI TALKS

Bangkok NABO NA in Thai 11 Apr 86 p 4

[Editorial: "Thailand-Vietnam"]

[Text] Mr Mochtar Kusumaatmadja, the Indonesian minister of foreign affairs, has called on Thailand to open direct negotiations with Vietnam in order to solve the problem in Cambodia. He expressed confidence that direct negotiations would be useful in resolving the conflict.

The Indonesian minister of foreign affairs made this statement during his talks here with Air Chief Marshal Sitthi Sawetsila, the Thai minister of foreign affairs, on 10 April.

Actually, Air Chief Marshal Sitthi Sawetsila plans to hold talks with Mr Nguyen Co Thach, the Vietnamese foreign minister, when he stops off in Bangkok on 20-23 April on his way home from India.

The Thai minister of foreign affairs repeated that he is ready to negotiate with the Vietnamese foreign minister if Vietnam is really sincere about wanting to solve the Cambodian problem.

The Cambodia problem stems from the fact that Vietnam sent troops to occupy the country and then toppled the legitimate government. Since 1979, besides trampling on the sovereignty of Cambodia, Vietnam has killed many Cambodians, destroyed their property and caused them much suffering. Besides this, the presence of Vietnamese soldiers in Cambodia poses a serious threat to Thailand's security. It isn't necessary to mention the fact that Vietnamese soldiers have frequently crossed into Thailand, violating Thailand's sovereignty and territorial integrity. Because of this, Thai soldiers, policemen and villagers have been killed and wounded and people have had to move away from their homes. Thailand did not create this situation and has no desire to see this continue.

It would be in Thailand's best interests to see the Cambodian problem solved according to the standards of international relations and the UN Charter. That would enable diplomatic and economic relations between Thailand and Vietnam to develop in a way beneficial to both countries.

As for this action on the part of the Indonesian minister of foreign affairs, this can be viewed as an attempt to bring about sincere negotiations between Thailand and Vietnam. This is a good intention that is in line with the desires and interests of Thailand.

However, this problem does not depend on Thailand alone. It also depends on Vietnam. Thus, the Indonesian foreign minister must first take action to ensure that Vietnam is sincere about solving the Cambodian problem. Because in the past, Vietnam has demanded that Thailand and ASEAN accept the status quo in Cambodia.

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CSO: 4207/219

THAILAND

EFFORTS MADE TO COMBAT PIRACY, ELIMINATE FINANCIERS

Bangkok MATICHON in Thai 10 Apr 86 p 2

[Unattributed report: "Naval Radio Station Established To Combat Piracy"]

[Text] A naval radio station has been set up to receive reports from fishing boats in order to arrest the pirates that are preying on cargo ships. Orders have been given to find the influential financiers who purchase the goods from the pirates in order to eliminate them.

On 9 April Police Lt Gen Suthat Sukhumwat, the deputy director-general of the Police Department for suppression, discussed a plan to suppress and control piracy. He said that in February, the Police Department had received an appeal from the J.B.C.C conglomeration, which transports goods from Bangkok to Japan. Ships belonging to the conglomeration, which is composed of six companies, have been boarded by pirates outside the entrance to the port of Bangkok on three occasions. The Police Department asked to meet with the units concerned in order to formulate a plan and implement measures to suppress and control piracy. The Marine Police Division has established a naval radio center in Samut Prakan Province. It has asked the fishing boats that operate along the coast to cooperate by sending a radio report whenever they notice a suspicious-looking boat in international waters, regardless of whether it is daytime or nighttime.

Besides this, those who transport goods by sea have been asked to keep the Marine Police Division informed so that it can send forces to provide protection. The Police Department has ordered the units concerned to find the pirates and their hideouts and purchase points, the influential financiers and the government officials who are supporting these illegal activities in order to arrest and punish them.

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CSO: 4207/219

AIR FORCE STAFF COLLEGE COMMANDER PROFILED

Bangkok DAILY NEWS in Thai 21 Apr 86 p 5

[DAILY NEWS Square column by Nanthana: "A Pilot Who Had Praphan for an Instructor Is the Commander of the Dong Muang Air Force Staff College"]

[Text] This column likes to publish the biographies of important people in the Thai military. Today, I will introduce the commander of the Air Force Staff College, Air Vice Marshal Pramot Wirutomsen, who is well known among those who have attended this staff college within the past several years.

Air Vice Marshal Pramot Wirutomsen was born in 1932 just before the change in administration. That is, he was born on 22 February 1932 in Muang District, Suphanburi Province. He is the eldest of the 10 children of Mr Phuk and Mrs Nom Wirutomsen. He attended primary school at the Suphanburi provincial school. He graduated from the military preparatory academy in 1952 and from the Chulachomklao Royal Military Academy (CRMA) in 1957 as a member of Class 4. At that time, the air force needed pilots and so he applied to be a pilot. His instructor was Air Chief Marshal Praphan Thupatemi. He held the following positions: In 1965 he served as a pilot with the 13th Squadron, 1st Wing. In 1973 he served as the head of the technology and research section, Directorate of Air Force Operations. In 1975 he was appointed leader of the 43d Squadron, 4th Wing. In 1977 he served as commander of the 21st Wing in Ubon Ratchathani Province. In 1980 he was appointed chief of staff of the Flight Training School in Kamphaengsaen District, Nakhon Pathom Province. In 1981 he served as assistant military attache in Manila, the Philippines. On his return in 1984 he was appointed deputy commander of the RTAF Staff College. He was appointed commander of this college on 1 October 1985.

Abroad, he took flight training at Webb Air Force Base in Texas. He attended the AF Command and General Staff College at Maxwell AFB in Alabama. In Thailand, in 1970 he attended the Army Command and General Staff College as a member of Class 50. In 1985 he attended the Army War College as a member of Class 30.

As for special duties, he fought in the Korean War with the UN forces. He was an aide-de-camp to the king. He served as a senator during the time that he was the commander of the 21st Wing. Fellow classmates included Air Vice Marshal Prasert Rattanakan, Maj Gen Chao Khongphunsin and Maj Gen Phuchong Ninlakharn.

Air Vice Marshal Pramot is married to Phloenphit Banrungchai. They have two sons. The eldest, Nanthawat, works at the Government Housing Bank. The youngest, Worawut, is studying for his master's degree in law in the United States.

In the future, he will probably be one of the important people in the air force because he has several years left before he retires.

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CSO: 4207/216

RTA ASSISTANT CHIEF OF STAFF, INTELLIGENCE, PROFILED

Bangkok DAILY NEWS in Thai 21 Apr 86 p 5

[DAILY NEWS Square column by Nanthana: "The Young Lieutenant General Who Holds the Position of Assistant Army Chief of Staff for Intelligence Is Lt Gen Ngamphon Nutsathit"]

[Text] A young army officer whom I would like to introduce today and who holds an important position in the army is Lt Gen Ngamphon Nutsathit, the assistant army chief of staff for intelligence. I had heard about him and his abilities before. He was born on 5 August 1931 in Bangkok.

He attended the Chulachomklao Royal Military Academy (CRMA) as a member of Class 1. He took the courses for company and field grade officers at the Military Communications School. He attended the Army Command and General Staff College, Class 42; the Army War College, Class 20; and the National Defense College, Class 28, the same class as Big Sua, who is now making a name for himself.

Abroad, he took the radio repair course at Fort Gordon, Georgia, and the microwave equipment course at Fort Monmouth, New Jersey. He also took other courses in order to increase his knowledge. He attended the U.S. Army Command and General Staff College at Fort Leavenworth, Kansas, and observed activities in several countries.

Among the important positions that he has held are: company commander with the communications group, 5th Division, acting operations and training officer with the communications group, 5th Division, and acting operations and training officer with the communications group, 4th Division; assistant head of operations, 4th Division; acting chief of personnel, 4th Division; chief of staff of the Chiang Mai Military District; acting head of the operations section, Directorate of Operations; chief of intelligence, Volunteer Division; section chief, Directorate of Intelligence; staff officer attached to the Directorate of Intelligence; head of the military intelligence unit; deputy director of intelligence; director of intelligence; and now assistant army chief of staff for intelligence. He is also on the board of directors of army television channel 5.

He is happily married to Kanchana Nutsathit.

This, then, is one of today's five assistant army chiefs of staff.

KHMER ROUGE SELL WEAPONS TO THAI TRAFFICKERS

Bangkok MATICHON in Thai 8 Apr 86 pp 1, 2

[Unattributed report: "Weapons Traffickers Who Purchased Weapons From Khmer Rouge Arrested"]

[Text] The Suppression Division arrested four people suspected of purchasing weapons from Khmer Rouge soldiers. The suspects confessed that they purchased the weapons at low prices and sold them at high prices to merchants and influential people in the eastern region, who used them to eliminate their enemies.

On the afternoon of 7 April, Police Maj Gen Bunchu Wankanon, the commander of the Suppression Division, announced that on 6 April, a team of Suppression Division police officials led by Police Lt Col Chuwong Aphirat, an inspector with Section 3, Precinct 4, Suppression Division, had arrested four people suspected of purchasing weapons from the Khmer Rouge.

Recently, criminals have been committing crimes with such weapons and people have frequently been killed. Thus, he ordered an investigation. The investigation showed that Mr Cha-on Munchara, age 36, who lives at Village 5 in Cham Rap Subdistrict, Muang District, Trat Province, was engaged in this and that a merchant, who acted as a middleman, was going to take a shipment of weapons to Bangkok on 6 April.

Police Maj Gen Bunchu said that when the police learned this, police officials from the Suppression Division were sent to Bang Kachae Subdistrict in Muang District, Trat Province. At 1700 hours that day, they saw a blue Mazda pickup truck driving along the road. The truck looked suspicious and so they signaled it to stop for inspection. But instead of stopping, the truck sped away and turned into a rubber plantation in an attempt to escape. The police gave chase and followed it into the rubber plantation. The truck stopped and one of the men managed to escape on foot. Three others were arrested. They were identified as Mr Praphan Emot, age 34, the driver; Mr Itsachai Ratchakit, age 37; and Mr Thonglo, or Yao, Thongngam, age 39. All three were from Trat Province.

In the rear of the pickup truck, which was loaded with tightly tied gunny bags, the police found 3 AK rifles wrapped in plastic, 1 loaded AK rifle that

had been placed apart from the others, 5,600 rounds of AK tracer rounds and ordinary rounds in 8 steel boxes and 6 loaded magazines.

Police Maj Gen Bunchu said that during the initial interrogation, which was conducted at the place of arrest, the three suspects said that they had purchased the weapons from Mr Cha-on. Another team of policemen was sent to arrest Mr Cha-on. He was arrested at his home without incident. The police searched his house and found 17 500-baht banknotes. Mr Cha-on confessed that he had purchased the weapons from a merchant and hidden them at his house before selling them. The police seized the evidence and arrested the suspects on charges of possessing war weapons and ammunition for which permits cannot be granted with intent to sell.

During the interrogation, Mr Cha-on said that the weapons had been purchased from Khmer Rouge soldiers. The Khmer Rouge soldiers were contacted once a month along the border. Each time, about four or five soldiers slipped past the Thai checkpoints to smuggle in weapons and ammunition. He had sold several shipments of weapons to merchants and influential people in the coastal provinces and in the east.

The officials who made the arrest said that these Thai weapons smugglers paid the Khmer Rouge soldiers 2,000 baht apiece for AK rifles and sold them for 3,000 baht apiece. They purchased the ammunition for 1 baht per round and sold them for 2 baht.

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CSO: 4207/220

POLITBURO HEARS MEN SAM-AN REPORT ON GDR'S SED CONGRESS

BK051408 Phnom Penh Domestic Service in Cambodia on 1300 GMT 5 May 86

/“Communique of the KPRP Central Committee Political Bureau”; date not given/

/Text/ At a meeting on 3 May 1986, the KPRP Central Committee Political Bureau heard a report presented by Comrade Mrs Men Sam-an, member of the Political Bureau and chairman of the party Central Committee's organization commission, who headed a high-ranking KPRP delegation to the 11th Congress of then Socialist Unity Party of Germany /SED/ in Berlin, the GDR, from 17 to 21 April 1986.

The Political Bureau highly valued the congress' experience on and analysis of the situation inside and outside the country, in particular the strategic path of the SED in the economic, scientific, and technical development for 1986-90 and its orientation from now to the year 2000, which is an orientation of historical significance for the country and on the international arena.

Through the political report of the congress, the GDR, which has followed and is following the path of building advanced socialism, has scored great successes and won magnificent achievements in every field of consolidating and building advanced socialism in the country. Furthermore, the strategic objective of the SED's foreign policy stressed the strengthening of unity of the socialist community and the socialist stand in the world in defense of world peace, including the effective contribution of the SED to consolidating and building socialism and defending the revolutionary gains of the people in Cambodia, Vietnam, and Laos in fighting the political, economic, and military pressures of the imperialists and reactionary and hegemonist forces in the region.

The KPRP holds that, thanks to their highly developed economic strength, firm scientific and technical foundations, and strong defense potentials, and based on socialism, the working people of the GDR will achieve their glorious goals. The Political Bureau endorsed and highly appreciated the outcome of the friendly talks between Comrade Mrs Men Sam-an and Comrade Erich Honecker, general secretary of the SED Central Committee, and other SED leaders. The KPRP Central Committee Political Bureau regarded the assistance and support of the GDR party, government, and people to the PRK party, government, and people as an important encouragement to the just revolutionary struggle of the Cambodian people to build socialism in their Angkor fatherland and as an important contribution to heightening the PRK's international prestige.

/12228

CSO: 4212/76

BRIEFS

SRV TOURISM DELEGATION CONCLUDES VISIT--Phnom Penh, 7 May (SPK)--A delegation of the Vietnamese Tourism General Department led by Director Tran Quoc Huong, member of the CPV Central Committee, left Phnom Penh this morning at the end of its 6-day visit to Cambodia. During its stay, the delegation was received by Chea Soth, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of planning. It visited the former Royal Palace, the Angkor Wat temples, and the historical sites at Bati (Takeo Province). A bilateral agreement of cooperation in the field of tourism was signed at the end of this visit. [Text] [Phnom Penh SPK in French 0357 GMT 7 May 86 BK] /8918

SRV PROVINCIAL DELEGATION VISITS--A delegation from the Vietnamese Province of Lam Dong led by Nguyen Xuan Du, president of the people's committee, recently visited Siem Reap Province, a sister province in Cambodia. In 1986, Lam Dong Province will help Siem Reap build some public buildings and develop the public health, education, and agriculture sectors. Vietnam's Tay Ninh Province has built for its Cambodian sister province of Kompong Cham a brick factory, a pumping station, hospitals, and educational establishments. A paper mill and a building for drying bananas will be built with Tay Ninh assistance. [Summary] [Phnom Penh SPK in French 0448 GMT 25 Apr 86 BK] /8918

MEETING ON PHNOM PENH ACHIEVEMENTS--The Phnom Penh Municipal People's Revolutionary Committee held a meeting at the Phnom Penh theater hall on the morning of 5 May to sum up outcome of the 1985 work and to set work targets for implementation in 1986. The meeting was presided over by Comrade Nguon Nhel, alternate member of the party Central Committee Political Bureau and secretary of the Phnom Penh provisional party committee, and attended by representatives from various ministries and offices and cadres from various wards and localities. Speaking on the occasion, Comrade Nguon Nhel exhorted all participants to abide by the organizational discipline and discuss all matters thoroughly. He added that the participants must draw good experiences from past work in order to set targets for implementation in 1986 and the coming years in conformity with the party's 5-year economic restoration plan and the resolutions of the Fifth Party Congress, thus successfully fulfilling all tasks and strengthening and making Phnom Penh firm, prosperous and worthy of being the heart of the PR. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 6 May 86 BK] 12228

NOTE SENT TO CUBA'S MALMIERCA--Comrade Hun Sen, minister of foreign affairs of the PRK, recently sent a message of thanks to Comrade Isidoro Malmierca, Cuba minister of foreign affairs. The message said, in part: I am deeply moved and happy with the best wishes you sent me on 35th birthday. I wish you more and greater successes in implementing the resolutions of the Third Congress of the Communist Party of Cuba. Based on proletarian internationalism, the relations and cooperative between our two countries and peoples will surely further develop and strengthen in the interest of peace and socialism. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 5 May 86 BK] 12228

BRIEFS

REGISTRATION FOR MILITARY DUTY—Circular dated 27 January 1986 of the municipal people's committee pertaining to registration for military duty: "In reference to Articles 19 and 20 of the Military Duty Law approved by the Congress of the Socialist Democratic Republic of Vietnam on 30 December 1981; In reference to Decree No 48/HDBT dated 16 May 1983 of the Council of Ministers promulgating registration procedures for military duty; The municipal people's committee hereby informs the public of the following registration procedures for military duty in 1986: 1) All male citizens reaching the age of 17 in 1986 (born from 1 January 1969 to 31 December 1969), and male citizens from 18 to 27 years of age falling in the category of military induction age (born from 31 March 1959 to 31 December 1968) must register for military duty at the district, ward or precinct military agency in the month of April 1986, if they have not done so. The military agency shall issue a registration card to registrants as prescribed by law. 2) Citizens who have previously registered at places of work or schools (agencies, enterprises, schools, etc.) must re-register at the military agency of districts, wards, and precincts where they now reside. 3) The district, ward, or precinct is the agency responsible for preparing citizens for military service and calling them for induction. Therefore, all other agencies, enterprises, schools, and farms have the responsibility, in conjunction with and under the guidance of the local military agency, for the coordination of efforts in preparing youths belonging to their units for military induction. Registration for military duty is an annual requirement that aims at making citizens of military duty age ready to join the armed forces and to discharge their duties in the protection of the fatherland. The municipal military duty commission shall be in charge of providing guidance, organizing, and inspecting the execution of this circular." [Text] [Saigon SAIGON GIAI PHONG in Vietnamese 8 Jan 86 p 4] 9458/7051

CSO: 4209/383

SOVIET ASSISTANCE CONTRIBUTES TO VIETNAM'S GRAIN PRODUCTION

Hanoi LUONG THUC in Vietnamese 15 Mar 86 p 7

[Article: "Soviet Assistance Extended to Vietnam's Grain Production"]

[Text] In 1985, Soviet agricultural technicians helped Vietnam create short-term rice varieties that are potentially suitable for its soil and climate, such as Viet-Xo 1-2 and Viet-Xo 1-10. These two new varieties offer pretty high yields. The Viet-Xo 1-2 variety offers a yield of 5-6 metric tons/hectare/crop; the Viet-Xo 1-10, 10-11 tons/hectare/crop.

• In the last 3 years (1983-1985), the Soviet Union supplied Vietnam with 3,382,000 tons (in SA units) of nitrate fertilizer. In the first 5 months of 1985 alone, the quantity of nitrate fertilizer sent by the Soviet Union as aid to Vietnam was 725,000 tons (in SA units). A large number of trucks and a large quantity of grain were also shipped to us.

• In the construction and development of our agricultural cooperatives, the Soviet Union gave us a lot of material aid and capital for us to import machinery and equipment and have thus made great contributions to mechanizing heavy work in the fields. Presently we have a large force of tractors and farm machinery, which are organized into stations and units and located in more than 200 districts throughout the country. This force has been able to raise the use of machinery in soil preparation to 30 percent.

• The Soviet Union has actively helped our country to overcome the aftermaths of the war caused by the American imperialists and at the same time has provided us with precious experiences in building state farms. We have so far been able to build 300 state farms throughout the country, including many that are specialized in producing grain.

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VIET THANG TEXTILE FACTORY PARTY-BUILDING PROBLEMS ANALYZED

Saigon SAIGON GIAI PHONG in Vietnamese 9 Jan 86 p 2

[Article by Thuy Tien: "Why Was the Party Organization at the Viet Thang Textile Factory Unable To Enroll More New Members?"]

[Text] The party organization of the Viet Thang Textile Factory has the natural advantage of possessing a work force with a great majority of skilled workers, including many who are young and of good educational and professional background. This is by far the most favorable condition for the party organization in its party development work. From only 21 chapters in 1983, the party has now 24 chapters, and 23 shifts and 75 production groups which had had no party members were eliminated from the list of no-party-member units. However, compared with norms set for 3 years (1983-1985), the party organization had only 91 additional new members, reaching only one-third of the plan. And compared with Decision No 19 of the CPV municipal committee relative to the party organization structure in state-operated enterprises, the number of party members in the factory does not meet set standards (only 4.2 percent of the total number of cadres, workers, and employees). But party members doing direct production work make up 37.5 percent of all party members in the party organization (exceeding standards set by Decision No 19 by 2.5 percent). Therefore, there is no lack of possibility for the factory to expand the number of party members from the source of workers doing direct production work. Then, what caused the slowdown in party development in the factory?

Before 1977, the party organization of the Viet Thang Textile Factory almost did not pay any attention to party development. Realizing that mistake, in 1978, party development began to take an important part of the party organization agenda, but it could not be realistically implemented due to the lack of monitoring and permanent supervision of the party committee in the execution of resolutions.

It was not until 1983 that the party organization of the factory actually embarked upon a 3-year party development plan, from 1983 to 1985. The plan proposed, from the existing 24 chapters and in the space of 3 years, to enroll 400 new members, and to strive to bring the number of party members to 7.3 percent of all cadres, workers, and employees. Nevertheless, in terms of execution of the plan, the party organization failed to make each chapter and each party member thoroughly understand the importance of party development. Chapters formulated projects without assessing their implementation

capabilities. The Consolidated Administrative Chapter and the Machine Operators Chapter, because of an incorrect evaluation of the units' human resources, were puzzled and unable to absorb any new members in 3 years. Due to an excessively reserved attitude and lack of boldness in accepting responsibilities, the Dyeing Workshop Chapter gave itself a very small quota in its new-member-enrollment target, but was still unable to meet it. Certain other chapters wrote their projects as window-dressing facade, and boasted their enrollment figures in efficiency reports without actually building resolve in each party member on party development. Besides, chapters failed to assign tasks to mass organizations for party development and, therefore, were unable to muster the strengths of those organizations, but on the contrary, led to contradictory views in the assessment of subjects. Instances of this diversity were observed in the Machine Operators Chapter, the Engineering Chapter No 2, the Fiber Chapter No 1, where the unit party organization deemed that certain candidates qualified for being accepted as party members, while the trade union and the youth group differed. As a result, acceptance of the candidates had to be put off. Not few workers, then, seeing that they were, for many years, unsuccessful in introducing outstanding citizens for the party, put their efforts to serve the party in limbo and devoted their energy in their professional responsibility alone. Finally, a "wait-and-see" attitude is still prevalent in the minds of certain members at various chapters, who would expect certain prospective candidates to become better before introducing them to the party.

Another problem has been the desire for perfection that still pervaded the thinking of cadres in some chapters. Ms Le Thi C., of the Weaving Workshop Chapter No 3 and Ms Y., of the Fiber Chapter No 1 were progressive workers who enjoyed the confidence of the workers' group, yet, their acceptance in the ranks of the party was hampered by certain unfavorable conditions in family background. In similar cases, the party committee failed to give specific instructions to dissipate misunderstanding in the minds of party members, as well as to deal with problems stemming from the political background of prospective candidates.

The above limitations caused the Viet Thang Textile Factory to have 8 of their 31 shifts and 1816 of their 261 production groups without party members, adversely affecting production. In rapidly overcoming those lingering problems, if the party organization can formulate a sound plan and strengthen the resolve of its members in meeting targets, it would not be difficult for it to enroll 90 new party members, since it has now over 200 prospective candidates, including more than 100 workers models of basic-unit and city levels.

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1ST PRECINCT LAUNCHES CRITICISM, SELF-CRITICISM DRIVE

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 5 Apr 86 pp 1, 3

[Article by N.V.H.: "1st Precinct Prepares Self-Criticism and Criticism Drive"]

[Text] On 4 April 1986, the 1st Precinct Party Committee launched a drive for all laboring people, cadres, workers and civil servants in the precinct to participate with criticism and opinion on party construction in every economic and social field in preparation for party organization congresses at the basic and precinct levels. In order to create favorable conditions for the masses to contribute their ideas on party construction, the Precinct Party Committee has suggested that basic level party units organize a strict review before the masses on leadership in achievement of the political mission by each agency and unit as well as other work aspects. We wish to present below a statement by Nguyen Van Hanh, Member and Secretary of the 1st Precinct Party Committee, on preparations for this criticism and self-criticism drive of the Party Committee and People's Committee of the 1st Precinct.

Preparing for the basic and precinct level party organization congresses this time, the problem of criticism and self-criticism is a great one of special importance. The experience of the Moscow Party Organization Congress on the problem of criticism and self-criticism has pointed out useful lessons for us. The situation and mission of the party organization itself also demand strict and straightforward development of self-criticism and criticism.

The success of the basic and precinct level party organization congresses this time is partially dependent on whether the problem of self-criticism and criticism is properly conducted or not. Therefore, the Precinct Party Organization Committee and People's Committee must thoroughly prepare and conduct criticism and self-criticism to achieve requirements with effectiveness and good quality.

During the period of the past 3 years, the 1st Precinct has made a number of important and fairly complete achievements compared with previous years. For 3 consecutive years, the 1st Precinct has met assigned state plan norms. In all work aspects of socialist transformation, caring for the lives of the people, maintaining order and security, mobilizing the masses, building the party, etc., changes have occurred. During 1983 and 1984, the Municipal Party Committee and People's Committee recognized the 1st Precinct for achievements made in the socialist emulation movement. The cadres, soldiers and people of the 1st Precinct have also had the honor of being awarded 14 Labor Orders for achievement by the Council of Ministers.

However, in comparing the responsibility of a central precinct of the city and the requirements and missions of the 1st Precinct party organization with the results of achieving Resolutions 6, 7 and 8 of the Party Central Committee and the directives and achievements of the Municipal Party Committee, we have still been hindered with many shortcomings in leadership and achievement supervision in many fields.

The greatest shortcoming of the 1st Precinct Party Committee and People's Committee and the one requiring review is weakness in leadership and management and in conducting transformation, construction, economic and cultural development and care for the lives of the people. Although the annual rate of economic development has increased, economic effectiveness is still not high, many potential capabilities remain unexploited, only 60 percent of machine capacity is being used, and tens of thousands of laborers still have no jobs. A number of enterprises and corporations lack operational effectiveness and must compensate for losses. In the circulation field, there are still many occurrences of negativism, disorder, trade competition and overpricing. The distribution of housing still has many negative and unfair aspects. The lives of the workers, civil servants, armed forces, retired cadres and poor laboring people are still confronted with extremely severe difficulties. Although the objective difficulties of a management mechanism of bureaucratic centralism and state subsidization exist, the Precinct Party Committee and People's Committee must bear responsibility for imprompt, irresolute and indecisive alleviation of difficulties in assigning work and decentralizing and assigning authority to subwards and directors.

In organization and cadre work, the Precinct Party Committee and People's Committee also had a number of shortcomings. Organization of the party apparatus, administration and mass groups is still cumbersome and bureaucratic with a lack of effectiveness and close contact with the basic level and the masses. Concerning the cadres, there are cases of improper promotion and use or untimely transfer. There are still many situations of negativism and violation by cadres and party members. This is also the very cause restricting the leadership ability and combat strength of the party organization during previous years.

Bureaucratism, authoritarianism and lack of democracy and close contact with the masses are also great weaknesses. In the daily operations of the party and administration, cases of authoritarianism, paternalism and lack of democracy are not few in number. Regarding the people, many cases have violated their rights of democracy and collective ownership. Not a few locations in administrative, state, public security, trade, etc. sectors continue to cause troubles for and even oppress or exhibit an overbearing attitude toward the people.

These are the major shortcomings for which our 1st Precinct party organization must find causes and point out collective and individual responsibility within each echelon and sector in order to formulate methods of correction.

During this self-criticism and criticism drive, our 1st Precinct will hold a conference of key cadres within the precinct and simultaneously organize a meeting with the mature and experienced revolutionaries and retired cadres in order to gather many opinions and ideas for the Precinct Party Committee and

People's Committee. Each agency, enterprise, corporation and subward must arrange to acquire opinions for criticism from the people through mass organizations and neighborhood teams.

With a spirit of true and straightfoward discussion and the collective intelligence of the party organization and people of the 1st Precinct, surely this self-criticism and criticism drive will assist the Party Committee and People's Committee of the 1st Precinct as well as the sectors and echelons in gaining beneficial lessons.

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READER ASKS FOR ACTIVE MEASURES TO ENSURE RICE QUALITY

Hanoi PHU NU VIETNAM in Vietnamese 19-25 Mar 86 p 2

[Consumers' Opinions column by NXD of Lam Dong Province: "Quality of Rice Becomes Much Poorer Than Before"]

[Text] In the spirit of the resolution on prices-wages-money of the Eighth Plenum of the CPV Central Committee, along with all other goods, grain also is sold at uniform prices that are not to be subsidized to compensate for losses by state regulations. At the beginning, along with that change in the price mechanism, the formula for service adopted by the grain sector also showed considerable changes. The quality of rice was being maintained: Although rice was not totally good, it was whiter and contained fewer grains of paddy and pebbles than in the period when state subsidies had been issued. With the quality of different kinds of rice being ensured, consumers felt satisfied with the prices they had to pay.

However, the quality of rice has lately shown a great decline compared to the first months after the new mechanism was adopted. In almost all the grain stores in Dalat, the quality of rice--even grade 1 rice--sold under the state-ensurance system becomes poorer as it contains lots of grains of paddy and pebbles. Some people offer this opinion: Is it true that since the people who are paid wages by the state, with prices of rice in the free market being as they are today, must still "cling to" the state-ensured rice, the grain sector has become somewhat bureaucratic in terms of the quality of rice it supplies?

To contribute along with other sectors to properly fulfilling the functions of society's "housewives" and gradually stabilizing the standard of living of cadres, workers, civil servants, the armed forces, and working people, we suggest that the grain sector adopt positive measures and try to maintain the quality of the rice it supplies.

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REORGANIZATION OF RESTAURANT BUSINESS IN PRECINCT 5

Saigon SAIGON GIAI PHONG in Vietnamese 9 Jan 86 p 1

[Article by W.V.: "The Restaurant Market in Subward 7, Precinct 5 Becomes Healthier: No More Refreshment Shops Selling Alcohol; the Restaurant Network Appropriately Rearranged"]

[Text] We were flabbergasted 3 months ago when we heard the number of eateries and refreshment shops in Subward 7, Precinct 5: 116 coffee shops, restaurants, and snack shops. In average, there was one eating and drinking place for 12 households! In particular, of the 101 restaurants and drinking shops privately owned, nearly half did not have a business license. This proliferation has been a major cause for social ills and negativism in the social life of the precinct.

What were the causes of those spawning private eateries and drinking shops in Subward 7, Precinct 5? As a matter of fact, if one counts the number of eating and drinking places run by socialist-trade organizations alone, there are just too many of them: Four state-operated restaurants, two restaurants run by cooperatives, and nine run by business cooperatives. The major weakness has been loose management by the precinct in the matter of restaurant businesses. Many privately run small shops selling coffee or liquors initially did their trade stealthily, but after a while, seeing that the precinct authorities closed their eyes, they took advantage of the inertia and expanded their trade. In Ward 2 alone, there were as many as 45 places selling coffee or liquors.

Directive No 12 of the CPV municipal committee on reorganizing the restaurant market in the city made the party and government in Subward 7 more conscious of their responsibilities in re-delineating their restaurant networks, and in deterring negativism and waste due to overfeasting and overdrinking. Under the guidance of the precinct, the subward set up a leadership committee for the execution of Directive No 12, including representatives of the CPV subward committee, of mass organizations, of the police, and of citizens' cells. As it turned out, creating a leadership committee was not that difficult. What was harder was making the people realize that eliminating some eating and drinking places and rearranging certain others in the subward was indispensable, and beneficial for the family and society. For quite a long time, disorderly eating and drinking habits have been commonplace, and people were so used to see the mess that few were concerned. Another difficulty lay in the fact that these types of businesses were done in various forms and scales.

These realities required from the leadership of Subward 7 elaborate discussion for the reorganization of the local eatery network. Everybody knew that correcting the problem through administrative orders would not be efficient, because, as experience showed, banned at one place, eateries and drinking shops would spring up at another.

The subward started the reorganization with campaigning among the people, with citizens' cells as nuclei. Those cells held meetings, pointed out the negative effects of disorderly eating and drinking practices, and campaigned with households in the restaurant business to change their occupations. The same households were also invited to meetings with subward officials for further persuasive discussion. After over 2 months of patient campaigning, Subward 7 obtained encouraging results. All households selling liquors quit, and over 40 coffee shops and restaurants voluntarily closed. A business household selling draft beer on Mac Cuu Street had its license revoked. Some other households of retired cadres and war invalids that did small businesses such as selling coffee were given necessary instructions to gradually revert to other occupations. I happened to see Mrs. S., who had a refreshment shop in Ward 2 selling liquors, that had been closed. She shared with me that since she quit, her husband behaved better. The man first brought home some friends to "have a few drinks" but later, the few drinks multiplied to such a level that whole bottles were gulped, and what should have happened: the man became intoxicated, insulted the wife, abused the children, and disturbed the family life.

As of now, Subward 7 has completely eradicated refreshment shops selling liquors. Two restaurants run by the subward marketing cooperative discontinued the sale of draft beer, and offered country-style dishes instead. Peddlers and sidewalk coffee shops were reassigned to permanent places and put under the supervision of citizens' cells. Due to those measures, the restaurant market in Subward 7 became healthier.

Nevertheless, as the subward people's committee put it, these were but initial achievements. The reorganization of the restaurant networks, and the fight against disorderly eating and drinking practices in the subward have to be continued. A few households pretended to close their businesses, but stealthily operated. Worse, certain agencies still went as far as taking advantage of the title of unit canteen to do business. Nevertheless, the achievements obtained, although obscured by a few lingering problems, may presage that disorderly eating and drinking practices in Subward 7 in the upcoming lunar new year will not worsen as it did in previous years.

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EDITORIAL URGES TOTAL THRIFT IN GRAIN CONSUMPTION

Hanoi LUONG THUC in Vietnamese 15 Mar 86 pp 1, 6

[Editorial: "Strictly Saving Grain"]

[Text] Saving grain is an issue that always has an extremely important significance for our country, under both normal and special conditions, while grain production here and there is encountering difficulties and the state is facing a serious imbalance in grain supply/consumption.

Recently many localities, sectors, and units in the grain sector have attached importance to practicing thrift in grain consumption and have taken many realistic and positive measures to fight losses and waste of grain in many aspects ranging from production to consumption. On the basis of overcoming difficulties caused by unfavorable weather and accelerating the development of production, many localities paid attention to providing leadership over harvesting rice and subsidiary food crops on schedule, quickly, neatly, and properly; took various measures to resolve difficulties in purchasing grain; increased the speed of mobilizing grain; properly resolved the issue of collecting and transporting; provided good protection and storage; organized strict grain distribution; and guided the people toward consuming grain in a rational and economical manner. The subsidiary food crops-growing localities that had been affected by natural calamities paid much attention to effectively resolving the issues of purchasing, transporting, and processing subsidiary food crops and turning corn, manioc, and sweet potato into important sources of grain that would supplement rice and actively contribute to supporting the standard of living. Prohibiting the making and consumption of alcohol, being extended to many sectors and localities, not only was aimed at effectively preventing many social ills but also prevented for the first time the wasteful use of thousands of tons of grain. The joint emulation movement between our sector and the communications and transportation sector in the delivery and transportation of grain on the North-South line, and in a number of localities that had large quantities of grain to be transported, for the first time brought about obvious economic results in 1985 and reduced the amount of grain the state had been losing by more than one-half compared to 2 years ago. Quite a few rice mills and grain corporations were paying attention to properly managing grain in connection with receiving, dispensing, weighing and measuring, delivering and accepting, handling of scattered paddy, full use of secondary and discarded materials, and so on. In 1985 alone, the

Southern Grain General Corporation succeeded in saving 11,000 metric tons of rice for the state by adopting measures to improve management; the Haiphong Grain Corporation saved more than 2,000 tons of grain; the General Warehouse 1 of the Southern Grain General Corporation in the first 9 months of this year saved more than 5,000 tons in connection with transporting, delivering, and receiving grain. The rice mill in Bac Giang, thanks to the measures aimed at fighting losses, gave the state 10 additional tons of rice in 1985. The fight against negative aspects, abuses, and corruption that had been causing losses of the state's grain was carried out in a strict and timely manner by many localities, which prevented and appropriately handled all violations.

However, strictly saving grain has not yet received the full and regular attention of all localities and at all times. There still are quite a few cases of wasting grain and situations in which grain has been lost or used irrationally and incorrectly. This is a matter that deserves the attention of sectors, echelons, and localities which must take appropriate measures to overcome it.

The 1986 socioeconomic plan that the National Assembly has approved stresses the following: On the basis of accelerating production, we must strictly save grain. Saving grain is a national policy. It cannot be an empty slogan but rather a permanent way of thinking and a formula for positive and realistic action on the part of sectors, echelons, localities, and society as a whole in the entire country. Even under normal production conditions, with the entire country striving to achieve the goal of 20 million tons of grain this year, with its present population and an increasing need of grain, even that quantity of grain will be only enough as a bare minimum to satisfy such a need somewhat better than it did in the previous years and to allow some reserve, which will be far from abundant. The state's immediate task of maintaining a grain supply balance currently is a very tough one; in many localities which recently suffered from natural calamities and poor crops, the people are facing great difficulties in the preharvest lean period. Saving grain therefore becomes an urgent and very important requirement.

The major policy and measures that our party, National Assembly, and state have pointed out call for, on the basis of accelerating production, very properly doing the job of mobilizing grain, to ensure an increase of 9 percent over 1985. Achieve at any cost unified management and monopoly by the state in doing grain business. Organize better purchases and transportation of subsidiary food crops; resolve the processing issue; and adopt a policy to encourage the consumption of these crops, to improve daily meals in conformity with the grain production conditions of each locality, and to gradually reduce the need to send grain from one place to another to make supply adjustments. Launch a movement to save grain in consumption, fight the social ill of unlawfully distilling alcohol, and avoid using rice in animal husbandry.

All of the major work mentioned above requires that all echelons and units in our sector, mostly the services and grain corporations at district and basic levels, fully carry out their functions, properly fulfill their tasks, take positive action, and recommend to their local party committee echelons and administrations effective measures to carry them out. Every locality must

educate, motivate, and organize the people in favor of realistically saving grain and actively contributing grain so as to let the state manage and satisfy the needs of the entire country, and at the same time use very rationally the remaining sources of grain. The localities that have an excess of grain must think about the ones that currently are short of grain and avoid wasting it. The localities that currently are short of grain must exploit and fully use all sources of grain, including rice, vegetables, and subsidiary food crops of their own; pay attention to the meals their people eat everyday; and manage and use extremely correctly the grain sent as aid from other sources. Prohibiting unlawful distillation of alcohol, excessive drinking, eating of between-meals snacks, and feasting on such occasions as festivals, weddings, and anniversaries can save hundreds of thousands of tons of grain a year throughout the country. Organizing leadership over properly harvesting grain, particularly in the rainy season; putting grain into storehouses in a proper manner, collecting, storing it properly, delivering and accepting it quickly, transporting promptly, and managing it very strictly in terms of both quantity and quality, without allowing losses to happen; milling and processing rice and subsidiary foods in such a way as to ensure product quality and also to increase the rate of getting finished products and properly using secondary materials to make useful products; and organizing very strict and rational distribution of grain also can mean we will have hundreds of thousands of additional tons of grain a year to use. At the same time, closely link the movement to save grain with the fight to resolutely protect and guard the state's grain against any acts of corruption, waste, abuse, and stealing of grain. Give timely and appropriate rewards to the localities that manage well, avoid damage and losses of grain, and reduce the rate of loss below the permissible one. Impose severe punishment, including legal punishment, in the case of irresponsible action leading to excessive waste, violations, and thefts involving the state's grain.

Saving grain is being an urgent and very important requirement in the life of people and the construction and defense of the fatherland. We workers dealing with grain, more than anybody else, know very well the difficulties lying ahead about grain. Let us uphold the spirit of responsibility, show our day-after-day concern about doing everything right in connection with distribution and circulation of grain, strive to manage and keep the state's grain, actively influence all aspects of social life having to do with production and use of grain, contribute to producing more grain, work for unified grain management by the state, and use in the most rational manner the currently available grain.

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BRIEFS

OIL EXPLORATION--The Joint Vietnamese-Soviet Oil and Gas Enterprise has completed many vital projects designed to support oil exploration in 1986 and subsequent years. Projects completed or in progress included: planning, assembly, and bringing into operation the fixed exploratory rig No 1; assembly, and bringing into operation the fixed exploratory rig No 1; assembly of the chassis of rigs No 2 and 3; and construction of a 3.2-MW diesel electric plant and of a 2,560 kVA transformer station. In the next 5 years (1986-1990), investments for oil and gas exploration and exploitation will amount to over four times the 1985 level. [Text] [Saigon SAIGON GIAI PHONG in Vietnamese 8 Jan 86 p 2] 9458/7051

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